

The Biggest Corporations In Major Consumer Price Index Categories Continued To Use Price Increases To Help Fund \$15.4 Billion In Additional Shareholder Handouts—Totaling \$62.6 Billion—While Working Families Struggled In The First Half Of 2022

SUMMARY: The Consumer Price Index (CPI) showed that overall, prices on common goods and services [increased by 8.5%](#) from July 2021 to July 2022. As working families have continued to be [unfairly burdened](#) by more expensive everyday necessities like food, shelter, and utilities, the biggest corporations achieved “[record-high profit margins](#)” and [near-record](#) operating margins through raising prices.

While the [Inflation Reduction Act of 2022](#)—which includes major investments such as “[making health care and prescription drugs more affordable](#)”—has yet to fully take effect, an Accountable.US review has found that the largest companies by market capitalization within the CPI’s major categories—Food, Energy, Healthcare, and Shelter—have continued to raise prices while making over **\$6 billion in increased profits in the first half of FY 2022 compared to FY 2021**. And even worse, these same companies have **increased spending on shareholder handouts by \$15.4 billion year-over-year to a total of \$62.6 billion**.

- **Food**

- The 10 [largest](#) food companies by market cap, including those representing **food-at-home** and **food-away-from home** categories in the CPI—which rose [13.1%](#) and [7.6%](#) from July 2021 to July 2022, respectively—have seen their **net incomes increase by \$393.6 million** in the first six months of 2022, **while increasing shareholder handouts by \$3.8 billion to a total of over \$12.1 billion**
 - **McDonald’s**—whose CEO said consumers are “[tolerating](#)” price increases well—managed to see [\\$2.2 billion](#) in net income in the first six months of its FY 2022 and spent over [\\$4.5 billion](#) on stock buybacks and dividends in the same period
 - **Mondelez** noted that it hasn’t seen much consumer pushback over its [price hikes](#) as it saw [\\$1.6 billion](#) in net income and spent nearly [\\$2.4 billion](#) on stock buybacks and dividends in the first half of its FY 2022.
 - **Archer Daniels Midland**—which has seen [increased profits](#) from lower grain supplies due to the war in Ukraine—saw its net earnings increase by over 63% to nearly [\\$2.3 billion](#) in the first half of its FY 2022, as the company spent [\\$653 million](#) on stock buybacks and dividends during the first six months of 2022.
 - **Kraft Heinz**—which has [raised prices](#) and announced that further hikes would take effect in August 2022—saw its net income skyrocket by nearly 93% to over [\\$1 billion](#) and spent [\\$980 million](#) on dividends in the first half of its FY 2022.

- **General Mills**—which hiked prices [five times](#) over the past year—saw its net earnings climb by 46.5% to over [\\$1.4 billion](#), while it spent over [\\$1.1 billion](#) on buybacks and dividends in the last half of its FY 2022.
- **Chipotle Mexican Grill**—which has announced several [price increases](#) throughout its FY 2022—saw its net income climb by nearly 33% to [\\$418.2 million](#) in the first six months of its FY 2022, as the chain also spent over [\\$521 million](#) on stock buybacks over that same period.
- **Tyson Foods**—which raised its chicken prices by as much as [20%](#) in the past year—saw its net income during the first half of 2022 jump by 28.9% to over [\\$1.5 billion](#), as the meatpacking giant spent [\\$669 million](#) on dividends and stock buybacks.
- **Hormel Foods**—which has repeatedly [raised prices](#)—has seen “[record sales](#)” in the first six months of 2022, as the company’s net earnings increased by \$51 million to over [\\$500 million](#) and it spent [\\$274 million](#) on shareholder dividends.
- **The Kellogg Company**—which has announced several [price increases](#)— raised its forecast for full-year earnings after reporting [\\$750 million](#) in net income in the first six months of its FY 2022, and spending [\\$694 million](#) on shareholder handouts over the same period, a \$62 million increase from 2021.
- **McCormick & Company**—which spent [\\$800 million](#) to acquire hot sauce brand Cholula in 2020—saw [\\$273.4 million](#) in net income in the first six months of its FY 2022 as its CEO announced the company would take “[multiple pricing actions](#)” and reported that it spent over [\\$211 million](#) on shareholder handouts in the first half of its FY 2022.

- **Energy**

- **Utility Gas & Electricity:** As prices for energy services rose [18.8%](#) and electricity prices rose [15.2%](#) from July 2021 to July 2022, leaving [20 million](#) households at risk of losing electricity, the five [largest](#) electricity and utility companies **increased shareholder handouts by \$378 million to over \$6.5 billion** in the first half of 2022.
 - **Nextera Energy**—the [largest](#) U.S. electricity and utilities company as of August 2022 whose subsidiary Florida Power & Light hiked rates for some Florida customers by as much as [20%](#)—reported a net income of [\\$420 million](#) during the first six months of its FY 2022, as the company spent over [\\$1.6 billion](#) on shareholder dividends in the same period.
 - **Duke Energy**—which has repeatedly discussed [increasing rates](#) on consumers and tried to make its Indiana customers pay more than [\\$200 million](#) to clean up the company’s toxic coal ash—saw its net income increase to [\\$1.7 billion](#) as the company rewarded its shareholders with [\\$1.5 billion](#) in dividends over the same period.

- **Southern Company**—which has increased rates on its Georgia customers as much as [12%](#) in June 2022—saw its net income increase by 41.8% to [\\$2.1 billion](#) as the company spent over [\\$1.4 billion](#) on shareholder dividends in the first half of its FY 2022.
- **Dominion Energy**—which has made several requests to [increase customer rates](#) across several states—saw its operating revenue grow by \$967 million to [\\$7.87 billion](#) and spent over [\\$1 billion](#) on dividends in the first half of its FY 2022 despite its net income falling to [\\$258 million](#).
- **American Electric Power** saw its net income jump by nearly \$87 million to over [\\$1.2 billion](#)—thanks to “[favorable drivers](#)” including “[rate changes across multiple jurisdictions](#)”—while spending [\\$803 million](#) on dividends.

- **Healthcare**

- **Medical Commodities:** While medical care prices increased [3.7%](#) from July 2021 to July 2022 as [18 million Americans were unable to afford prescription medications](#), the [largest](#) U.S. drugmakers saw **profits jump by over \$6 billion to \$36 billion while boosting shareholder handouts by over \$5.2 billion to \$24.5 billion in the first half of 2022.**
 - **Johnson & Johnson**—which has pursued “[strategic price increases](#)”—increased its spending on shareholder handouts by [\\$789 million](#) in the first six months of its FY 2022 despite a [decrease](#) in net earnings, but still reporting [\\$9.9 billion](#) in profit.
 - **Eli Lilly**—which was sued by the state of Arkansas for “[artificially driving up insulin prices](#)” and its CEO touted the launch of its [expensive](#) new diabetes drug Mounjaro—the company’s net income increased by nearly [\\$110 million](#) as it increased shareholder handouts by over [\\$1.2 billion](#).
 - **Pfizer’s** net income climbed by 70% year-over-year to over [\\$17.7 billion](#) as the pharmaceutical giant raked in over [\\$53 billion](#) in revenue and spent over [\\$6.4 billion](#) on shareholder handouts—over [\\$2 billion](#) more than in 2021.
 - **Abbvie’s** Chairman and CEO touted “[another strong quarter](#),” driven by two drugs with list prices of [\\$18,272](#) and [\\$64,300](#)—while seeing net income jump by over \$1 billion to [\\$5.4 billion](#) and spending [\\$6.4 billion](#) on stock buybacks and dividends in the first six months of its FY 2022.
- **Medical Services:** While medical care prices climbed [5.1%](#) from July 2021 to July 2022, the [top](#) healthcare companies—[UnitedHealth](#), [CVS Health](#), [Elevance Health](#), and [HCA Healthcare](#)—benefited from increased consumer costs as they saw **profits of \$21.2 billion while boosting shareholder handouts by over \$8.5 billion to a total of \$18.2 billion** in the first six months of 2022.

- **UnitedHealth Group**—the [largest](#) healthcare company as of August 2022—touted its [pricing strategies](#) as it saw its net earnings jump by nearly \$1 billion to over [\\$10.3 billion](#) and increased spending on shareholder handouts by \$2.46 billion to nearly [\\$8 billion](#).
- **CVS Health**—whose Chief Customer Officer admitted that “[we’re able to pass inflation through to our customers](#)”—saw its net earnings jump by \$259 million to [\\$5.27 billion](#) and increased shareholder handouts by over [\\$2.1 billion](#).
- **Elevance**—whose CEO touted “[higher premium revenue](#)” driven by “[premium rate increases](#)”—spent over [\\$1.78 billion](#) on shareholder handouts despite a slight decrease in net income, still profiting nearly [\\$3.5 billion](#) in the first half of its FY 2022.
- **HCA Healthcare**—whose CEO touted protection from inflation through existing contracts allowing “[us to reposition some of our pricing](#)”—saw its revenue climb over \$1 billion year-over-year to [\\$29.7 billion](#) and rewarded shareholders by spending [\\$5.12 billion](#) on stock buybacks and dividends, \$981 million more than in 2021 despite net income falling to over [\\$2.4 billion](#).

- **Shelter**

- **Shelter:** As shelter prices increased [5.7%](#) from July 2021 to July 2022 and rents hit a “[record high](#),” the [biggest](#) apartment companies—[Mid-America Apartments](#), [Starwood Properties](#), and [AvalonBay Communities](#)—touted rent hikes as they **saw profits climb by \$295.9 million while increasing shareholder handouts \$33.9 million to nearly \$1 billion** in the first half of 2022.
 - **Mid-America Apartments**—[the biggest publicly traded apartment owner in 2021](#)—[touted](#) “strong pricing performance” and called rent growth its “primary revenue driver”—as it [reported](#) its net income increasing by over \$57 million to over \$330 million in the first half of 2022 while [boosting](#) shareholder dividends and distributions by \$15 million to over \$257 million.
 - **Starwood Properties**—[the second largest publicly-traded apartment operator in 2021](#)—saw its net income [skyrocket](#) by over \$417 million to \$666 million during the first six months of FY 2022, as its CEO boasted that “[apartment rent continues to rise](#)” and the company spent over \$294.2 million on shareholder dividends.
 - **AvalonBay Communities**—[the third-largest publicly-traded apartment owner](#) and whose COO touted being “[well positioned to capture higher rent levels](#)”—saw its revenue [increase](#) 13.1% YoY to \$1.25 billion and its average rental rate increase 10.2% year-over-year to \$2,695 in the first half of 2022, while declaring \$445 million in dividends.

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The July 2022 Consumer Price Index Showed That Prices Increased By 8.5% Year-Over-Year—Disproportionately Raising Lower-Income Families' Everyday Expenses While The Biggest Corporations Were Able To Raise Prices And See Record Margins During The Pandemic And Onwards.

The Consumer Price Index Showed That Overall, Prices Increased By 8.5% From July 2021 To July 2022.

From July 2021 To July 2022, The Price For All Items Within The Consumer Price Index (CPI) Increased 8.5 Percent. "The Consumer Price Index for All Urban Consumers (CPI-U) was unchanged in July on a seasonally adjusted basis after rising 1.3 percent in June, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 8.5 percent before seasonal adjustment." [U.S. Bureau of Labor Statistics, [08/10/22](#)]

- **The Consumer Price Index Is The U.S. Bureau Of Labor Statistics' Measure Of Price Changes Paid By "Urban Consumers For A Market Basket Of Consumer Goods And Services."**
"The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas. Average price data for select utility, automotive fuel, and food items are also available." [U.S. Bureau of Labor Statistics, accessed [08/31/22](#)]

The Consumer Price Index Tracks Price Changes Across Several Common Categories Of Goods And Services, Including Food, Energy, Commodities, Medical Care, And Others. [U.S. Bureau of Labor Statistics, [01/14/22](#)]

In August 2021, America's Biggest Corporations Achieved "Record-High Profit Margins" And A Year Later Saw After-Tax Profits As A Percentage Of Gross Value Added Increase The Most Since 1950, Further Suggesting That "Companies Overall Have Comfortably Been Able To Pass On Their Rising Costs And Labor To Consumers."

August 2021: Raw Materials Inflation And Wage Increases Had "No Noticeable Effect On Corporate Earnings," While America's Biggest Corporations Achieved "Record-High Profit Margins." "America's biggest companies have managed to achieve record-high profit margins, despite rising input costs. Why it matters: Raw materials inflation and wage hikes have had almost no noticeable effect on corporate earnings. Still, analysts warn it may just be a matter of time before those costs catch up with margins. By the numbers: S&P 500 companies are reporting an average net profit margin — net income as a percentage of revenue — of 13.0% in the second quarter, according to data compiled by FactSet through Friday. This is the highest profit margin since FactSet began tracking the metric in 2008." [Axios, [08/11/21](#)]

August 2022: After-Tax Profits As A Share Of Gross Value Added For Non-Financial Corporations—"A Measure Of Aggregate Profit Margins"—Increased To 15.5%, The Most Since 1950. "A measure of US profit margins has reached its widest since 1950, suggesting that the prices charged by businesses are outpacing their increased costs for production and labor. After-tax profits as a share of gross value added for non-financial corporations, a measure of aggregate profit margins, improved in the second quarter to 15.5% -- the most since 1950 -- from 14% in the first quarter, according to Commerce Department figures published Thursday." [Bloomberg, [08/25/22](#)]

Data From The U.S. Commerce Department Suggests That “Companies Overall Have Comfortably Been Able To Pass On Their Rising Costs And Labor To Consumers,” Offsetting Slips In Demand By “Charging More To The Customers They’ve Retained.” “The data show that companies overall have comfortably been able to pass on their rising cost of materials and labor to consumers. With household budgets squeezed by the rising cost of living, some firms have been able to offset any slip in demand by charging more to the customers they’ve retained -- though others like Target Corp. saw their inventories swell and were forced to discount prices in order to clear them.” [Bloomberg, [08/25/22](#)]

Overall, Companies In The S&P 500 Saw Near-Record Operating Margins In 2021 Because They Were Able To Raise Prices.

Despite Increased Costs, Companies Within The S&P 500 Saw Their Operating Margins "Remain[n] Close To A Record 13% Through Most Of 2021" Thanks To Price Increases. "Profit margins: This is the critical component of corporate profitability, since it measures how much profit a company is able to retain after paying costs. S&P 500 operating margins have remained close to a record 13% through most of 2021 because corporations, while faced with higher costs, were able to raise prices." [CNBC, [01/13/22](#)]

Companies Within The S&P 500 Had A "Remarkable 2021" With Overall Earnings Up "Approximately 49%." "Fourth quarter earnings for the S&P 500 are expected to be up 22.4%, according to Refinitiv, capping off a remarkable 2021 where overall earnings will be up approximately 49%." [CNBC, [01/13/22](#)]

- **The S&P 500 Is A "Market-Capitalization-Weighted Index Of 500 Leading Publicly Traded Companies In The U.S, And Generally "Considered One Of The Best Gauges Of Large U.S. Stocks."** "The S&P 500 Index, or Standard & Poor's 500 Index, is a market-capitalization-weighted index of 500 leading publicly traded companies in the U.S. It is not an exact list of the top 500 U.S. companies by market cap because there are other criteria that the index includes. [...] Because of its depth and diversity, the S&P 500 is widely considered one of the best gauges of large U.S. stocks, and even the entire equities market." [Investopedia, [02/15/22](#)]

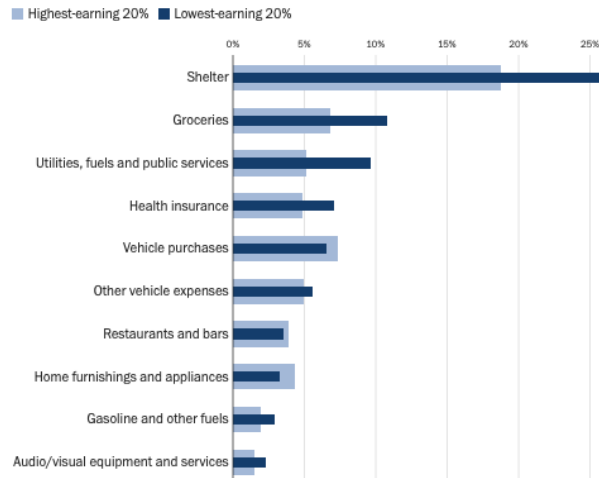
Increased Prices Are "Particularly Devastating" To Lower-Income Families, Who Have To Spend A Greater Share Of Their Income On Necessities Like Shelter, Food, And Utilities.

Increased Prices Are "Particularly Devastating To Lower-Income Households With Already Tight Budgets," With Most Of Their Expenses Going To Necessities Such As Food, Energy, And Housing. "While inflation is rising everywhere, price hikes are particularly devastating to lower-income households with already tight budgets. Nearly all their expenses go to necessities — food, energy, housing — which have seen some of the largest increases at different points over the past year." [The Washington Post, [02/13/22](#)]

A Washington Post Study Found That Lower-Income Earners Spent A Greater Share Of Their Total Spending On Categories Of Goods And Services That Saw The Highest Levels Of Inflation During The Pandemic. "Of the 10 categories with the highest levels of pandemic inflation analyzed by The Washington Post, lower earners spent a greater share of their total spending on most of them, from natural gas to beef. (The highest earners outspent the lowest on cars and furniture.)" [The Washington Post, [02/13/22](#)]

Low-income Americans spend more on necessities

Share of spending that went to each category in 2020



[The Washington Post, [02/13/22](#)]

Inflation Has Largely "Canceled" Out Increased Wages During The Pandemic.

Although Wages Have Grown During The Pandemic, They Have Been Largely "Canceled" Out By Rising Prices. "You got a raise last year or switched jobs to get one. Congratulations! You're one of the many Americans who saw their paychecks get bigger. Unfortunately, unless your wages or salary grew much higher than the national average of 4.5 percent last year, inflation likely canceled it out. That means that while you might be making more money, you can buy less stuff with it." [Vox, [02/16/22](#)]

July 2022: Americans Saw Rising Prices As Among "The Most Important Problems Facing The U.S.," With 63% Of American Adults Reporting That Either "Inflation, Gas Prices, The Economy Or Everyday Bills/Groceries Is Their Family's Top Concern."

July 2022: A Monmouth University Poll Found That "Economic Issues Are The Biggest Concern Facing Their Family Right Now," With 63% Of American Adults Reporting That Either "Inflation, Gas Prices, The Economy Or Everyday Bills/Groceries Is Their Family's Top Concern." "A majority of American adults say economic issues are the biggest concern facing their family right now, according to a new Monmouth University poll, which also found that few believe the country is on the right track. Sixty-three percent say either inflation, gas prices, the economy or everyday bills/groceries is their family's top concern (inflation and gas prices alone combined for 47%). The next highest-ranking concern is abortion, which is the top issue for 5% of respondents, the fifth-highest ranking issue. Guns/gun ownership follows at 3%, tied with health care costs and job security/unemployment." [NBC News, [07/22/22](#)]

A Late-July Gallup Poll Found That Inflation And The Economy Were Among "The Most Important Problems Facing The U.S.," With 17% Identifying Inflation As The Top Issue And 12% Citing The Economy In General. "Inflation, the economy, and abortion issues are among the most important problems facing the U.S., according to a new Gallup poll. The poll found eight percent of Americans named abortion as the country's top concern—the most since Gallup began tracking the issue in 1984. Abortion still ranks behind three other issues, according to the poll, which surveyed 1,103 adults between July 5 and 26. Inflation (17 percent) and dysfunctional government or bad leadership (17 percent) topped the list, with another 12 percent of Americans citing the economy in general." [Newsweek, [08/02/22](#)]

Well Before Enacting The Inflation Reduction Act, The Biden Administration Made Fighting Inflation A "Top Priority," Including Efforts To Stem Profiteering Among Heavily-Concentrated Meatpackers And Supply Chain Industries Like Railways And Ocean Shippers.

May 1, 2022: President Biden Said Fighting Inflation Was A "Top Priority" During His First State Of The Union Address. "President Biden used his State of the Union address to refocus the nation on how far the economy has come since the pandemic recession. But he also highlighted his plans to help slow rapid price gains, underscoring the challenge Democrats face ahead of the midterm elections: Inflation is painfully high, voters are unhappy about it, and the most tried and true way to cool price increases involves hurting growth and the labor market." [The New York Times, [03/01/22](#)]

- **Headline: Biden Says Fighting Inflation Is 'Top Priority' as Prices Bite Consumers** [The New York Times, [03/01/22](#)]

As Part Of The Effort, Biden Said He Would Begin A "Crackdown" On Ocean Shippers' Soaring Costs As Well As Cutting The Costs Of Prescription Drugs. "Mr. Biden said his administration would begin a 'crackdown' on ocean shipping costs, which have soared during the pandemic. He suggested that the administration wanted to cut the cost of prescription drugs, an ongoing push of his." [The New York Times, [03/01/22](#)]

January 2022: President Biden Met With Family Farmers And Ranchers As Part Of His Effort To "Pressure The Four Biggest Meatpacking Companies Into Easing Prices For Consumers," As He Pointed To Anti-Competitive Consolidation Behind The "Soaring Prices." "President Joe Biden met virtually with family farmers and ranchers on Monday to highlight his administration's ongoing effort to support independent meat processors, and to pressure the four biggest meatpacking companies into easing prices for consumers. With meat and poultry prices leading the broader nationwide increase in the cost of groceries, the White House has spent months arguing that anti-competitive consolidation within the meatpacking industry is to blame for the soaring prices." [CNBC, [01/03/22](#)]

- **"Four Companies – Tyson, JBS, Marfrig And Seaboard – Control As Much As 85% Of The Nationwide Meatpacking Business, According To A White House Estimate."** [CNBC, [01/03/22](#)]

July 2021: President Biden Issued An Executive Order With "72 Initiatives Designed To Increase Competition And Limit The Power Of Large Corporations Across A Wide Range Of Industries," Including Provisions To Address Shipping And Railroad Industry Fees. "In seeking to protect workers and consumers from what his administration views as the harmful consequences of corporate consolidation, President Biden is enlisting support from regulators across the executive branch in what the White House has described as an overarching, 'whole-of-government' effort. As part of the executive order Mr. Biden signed on Friday, the White House is asking more than a dozen federal agencies for input and action on 72 initiatives designed to increase competition and limit the power of large corporations across a wide range of industries." [The New York Times, [07/09/21](#)]

- **The Order Encouraged The Federal Maritime Commission To Pursue "Vigorous Enforcement Against Shippers Charging American Exporters Exorbitant Charges."** "In the Order, the President: [...] Encourages the Federal Maritime Commission to ensure vigorous enforcement against shippers charging American exporters exorbitant charges." [The White House, [07/09/21](#)]
- **The Order Sought To "Confront Consolidation And Perceived Anticompetitive Pricing" In The Rail Industry To Address "Aggressive Pricing."** "The Biden administration will push regulators to confront consolidation and perceived anticompetitive pricing in the ocean shipping and railroad

industries as part of a broad effort to blunt the power of big business to dominate industries, according to a person familiar with the situation. The administration, in a sweeping executive order expected this week, will ask the Federal Maritime Commission and the Surface Transportation Board to combat what it calls a pattern of consolidation and aggressive pricing that has made it onerously expensive for American companies to transport goods to market." [The Wall Street Journal, [07/08/21](#)]

August 2022: President Biden Signed The Inflation Reduction Act Of 2022, Which Included Major Investments In “Making Health Care And Prescription Drugs More Affordable, Fighting Climate Change And Taxing Wealthy Corporations.” “President Joe Biden signed the Inflation Reduction Act of 2022 into law on Aug. 16. The bill is a major accomplishment for Democrats who have been struggling for months to pass Biden’s ambitious social and climate policies, as well as his vision to raise taxes on the rich. The legislation includes large investments in making health care and prescription drugs more affordable, fighting climate change and taxing wealthy corporations.” [Forbes, [08/23/22](#)]

Food

From July 2021 To July 2022, Prices For “Food At Home” Increased 13.1% While “Food Away From Home” Increased By 7.6%, As Consumers Traded Down To “Lower-Priced Items” And Low-Income Consumers Have Shifted Away From Dining Out, As Inflation Remained A Top Concern For The Majority Of American Consumers.

From July 2021 To July 2022, Prices For "Food At Home" Increased 13.1%— The Bureau Of Labor Statistics Defines This Category As The "The Total Expenditures For Food At Grocery Stores (Or Other Food Stores) And Food Prepared By The Consumer Unit On Trips."

Food At Home Prices Rose 13.1% From July 2021 To July 2022, The “Largest 12-Month Increase” Since 1979. “The food at home index rose 13.1 percent over the last 12 months, the largest 12-month increase since the period ending March 1979.” [U.S. Bureau of Labor Statistics, [08/10/22](#)]

The Bureau Of Labor Statistics Defines "Food At Home" As "The Total Expenditures For Food At Grocery Stores (Or Other Food Stores) And Food Prepared By The Consumer Unit On Trips." "Food at home refers to the total expenditures for food at grocery stores (or other food stores) and food prepared by the consumer unit on trips. It excludes the purchase of nonfood items." [U.S. Bureau of Labor Statistics, accessed [08/31/22](#)]

August 2022: Consumers Were Shifting To “Lower-Priced Items” Instead Of “Premium, Organic Products” As They Struggled With Inflation. "In a report out Monday, the Dallas Fed's latest manufacturing survey showed some food suppliers are finding a pullback in demand for their more premium, organic products as these inflation pressures continue. ‘Consumer behavior is shifting to lower-priced items in our category as they struggle with inflation,’ an executive in the food manufacturing industry told the Dallas Fed." [Yahoo! Finance, [08/30/22](#)]

Inflation Has Impacted Families And Consumers Causing Them To “Change Their Purchasing Patterns And Eating Habits” As Meat Prices Have Risen 11 Percent Year-Over-Year. “Inflation has been at or near 40-year highs since the spring, but families have been pinched by higher food prices for two years. Meat prices in particular have surged 17 percent since July 2020, spurring families around the country to change their purchasing patterns and eating habits. [...] Meat prices have continued to rise even as other costs have come down. Overall meat and poultry prices have risen 11 percent from a year ago, while the cost of chicken has gone up nearly 18 percent, according to the latest data from the U.S. Bureau of Labor Statistics. Bacon costs 12 percent more than it did last summer.” [The Washington Post, [08/27/22](#)]

- **Headline: Half Cows Entire Pigs: Families Are Buying Meat In Bulk To Save Money.** [The Washington Post, [08/27/22](#)]

Amid Inflation, “90% Of Americans” Were Concerned About Rising Food Prices, “According To A Survey Conducted By The Harris Poll.” “About 90% of Americans are concerned about food prices, according to a survey conducted by The Harris Poll on behalf of Alpha Foods.” [CNBC, [06/09/22](#)]

More Than Half Of All Consumers Said That Rising Meat Prices Made Them Consider “Trying Plant-Based Food And Dairy Options” Instead. “More than half of those surveyed said that rising meat prices made them more curious about trying plant-based food and dairy options. Others are also shifting their shopping habits to take fewer trips or are forgoing their favorite brands.” [CNBC, [06/09/22](#)]

From July 2021 To July 2022, Prices For “Food Away From Home,” Defined By The Bureau Of Labor Statistics As All Meals From “Fast Food, Take-Out, Delivery” And Other “Full-Service Restaurants,” Increased 7.6%.

Food Away From Home Prices Increased 7.6% From July 2021 To July 2022. “The index for food away from home rose 7.6 percent over the last year.” [U.S. Bureau of Labor Statistics, [08/10/22](#)]

The Bureau Of Labor Statistics Defines “Food Away From Home” As “All Meals (Breakfast And Brunch, Lunch, Dinner And Snacks And Nonalcoholic Beverages) Including Tips At Fast Food, Take-Out, Delivery, Concession Stands, Buffet And Cafeteria, At Full-Service Restaurants, And At Vending Machines And Mobile Vendors.” “Food away from home includes all meals (breakfast and brunch, lunch, dinner and snacks and nonalcoholic beverages) including tips at fast food, take-out, delivery, concession stands, buffet and cafeteria, at full-service restaurants, and at vending machines and mobile vendors. Also included are board (including at school), meals as pay, special catered affairs, such as weddings, bar mitzvahs, and confirmations, school lunches, and meals away from home on trips.” [U.S. Bureau of Labor Statistics, accessed [08/31/22](#)]

Some Restaurant Chains Have Reported Consumers Spending Less Due To Inflation, But Some Chains Such As McDonald’s And Chipotle Say “Higher-Income Consumers Are Visiting More Frequently.” “Some restaurant chains are reporting weaker sales or traffic. McDonald’s and Chipotle said low-income customers are spending less, while higher-income consumers are visiting more frequently. Starbucks, Bloomin’ Brands and Restaurant Brands International said they aren’t seeing big changes in consumer spending.” [CNBC, [08/07/22](#)]

These Insights Come As Many Chains Have Continued To Hike Prices On Consumers. “The mixed observations come as restaurant companies hike menu prices to pass along higher costs for ingredients and labor. Prices for food eaten away from home have risen 7.7% in the 12 months ended in June, according to the Bureau of Labor Statistics. People are also paying much more for necessities like gas, toilet paper and groceries, stoking worries about the possibility of a recession.” [CNBC, [08/07/22](#)]

A 2021 Study Found Just “A Handful” Of Food Companies Dominate The Market, Controlling Nearly 80% Of Grocery Items, Allowing The Largest Megacorporations To “Largely Dictate” What Farmers Grow And How Much Consumers Pay.

An Investigation By The Guardian And Food & Water Watch Found That “A Handful Of Powerful Companies Control The Majority Of Almost 80% Of Dozens Of Grocery Items.” “A handful of powerful companies control the majority market share of almost 80% of dozens of grocery items bought regularly by ordinary Americans, new analysis reveals. A joint investigation by the Guardian and Food and Water Watch found that consumer choice is largely an illusion – despite supermarket shelves and fridges brimming with different brands.” [The Guardian, [07/14/21](#)]

The Investigation Also Found That Large Food Companies Have Poured Millions Into Lobbying To “Largely Dictate What America’s 2 Million Farmers Grow” And “What Consumers Eat And How Much Our Groceries Cost.” “The size, power and profits of these mega companies have expanded thanks to political lobbying and weak regulation which enabled a wave of unchecked mergers and acquisitions. This matters because the size and influence of these mega-companies enables them to largely dictate what America’s 2 million farmers grow and how much they are paid, as well as what consumers eat and how much our groceries cost.” [The Guardian, [07/14/21](#)]

Consumer Advocate Amanda Starbuck Said The “System [Is] Designed To Funnel Money Into The Hands Of Corporate Shareholders And Executives,” As Farmers And Workers Are Exploited. “It’s a system designed to funnel money into the hands of corporate shareholders and executives while exploiting farmers and workers and deceiving consumers about choice, abundance and efficiency,” said Amanda Starbuck, policy analyst at Food & Water Watch.” [The Guardian, [07/14/21](#)]

As Consumers Struggled To Afford Groceries Among Rising Inflation, The Ten Largest Food Companies By Market Cap Continued To Hike Prices As The Industry Saw Over \$12 Billion In Net Earnings—Up \$418 Million—During The First Six Months Of 2022, As Companies Increased Shareholder Handouts By \$3.8 billion To A Total Of Over \$12 Billion.

McDonald's—Whose CEO Said Consumers Are “Tolerating” Price Increases Well—Managed To See \$2.2 Billion In Net Income In The First Six Months Of Its FY 2022 And Spent Over \$4.5 Billion On Stock Buybacks And Dividends In The Same Period, Despite A Costly Exit From Russia.

As Of September 1, 2022, McDonald’s Was The Largest U.S. Food Company By Market Capitalization:



\$187.65 B

\$255.06

▲ 1.10%



USA

[CompaniesMarketCap.com, accessed [09/01/22](#)]

During Q2 2022, McDonald's Saw Its U.S. Sales Increase By 3.7% And Global Sales Increase 9.7%, Despite Its Exit From Russia:

Second quarter financial performance:

- Global comparable sales increased 9.7%, reflecting positive comparable sales across all segments:
 - U.S. increased 3.7%
 - International Operated Markets segment increased 13.0%
 - International Developmental Licensed Markets segment increased 16.0%

[McDonald's [07/26/22](#)]

- **May 2022: McDonald's Said It Would Exit Russia And Sell All Of Its Restaurants There, Costing The Company "Up To \$1.4 Billion."** "McDonald's Corp. said it will exit its operations in Russia and sell all of its restaurants there in a move that could cost the burger giant up to \$1.4 billion. The Chicago-based burger giant (NYSE: MCD) said Monday that after operating in Russia for 30 years, it will exit the Russian market and has initiated a process to sell its Russian business. The decision follows the company's move in March temporarily close all of its restaurants in Russia, where it employs 62,000 people." [Biz Journals, [05/16/22](#)]

July 2022: In McDonald's Q2 2022 Earnings Call, CFO Kevin Ozan Said The Company Is "Taking Smaller, More Frequent Price Increases Because It Gives Us The Flexibility To See How Consumers Are Reacting And Then Adjust If Or When Necessary." "Sales at McDonald's US restaurants open at least 13 months jumped 3.7% in the second quarter, the company said Tuesday. That growth was driven by higher menu prices and "value offerings" on its regular menu as well as through its app, according to McDonald's. [...] 'We're taking smaller, more frequent price increases because it gives us the flexibility to be able to see how consumers are reacting and then adjust if or when necessary,' said CFO Kevin Ozan during an analyst call Tuesday." [CNN, [07/26/22](#)]

Also During Its Earnings Call, McDonald's CEO Chris Kempczinski Said On Price Increases That "The Consumer Is Tolerating It Well." "Chris Kempczinski [...] So we're still -- even though we're pushing through pricing, the consumer is tolerating it well, and we're still doing very well from a value score standpoint." [Seeking Alpha, [07/26/22](#)]

Kempczinski Also Said McDonald's Was Benefiting From Consumers "Trad[ing] Down" From "Full-Service Restaurants." "Yes. I know the question. I don't have the degree of precision on the data that I think you're looking for. But I would say, generally, what we know is -- happening is that there is challenge on the lower income, but that we are getting trade down out of things like full-service restaurants, getting trade down at a fast casual that's helping offset any of that impact." [Seeking Alpha, [07/26/22](#)]

June 2022: While McDonald's Franchisees Determine Prices At Their Locations, The Head Of McDonald's International Business Ian Borden Admitted That The Company Plans To "Do More Frequent Increases But At Smaller Levels." "McDonald's is studying the impact of its restaurants' price increases to make sure they aren't too much for consumers, Ian Borden, head of McDonald's international business, said during an investor conference Thursday. The chain also wants to ensure McDonald's remains a good value for customers. 'We have the approach that we want to do more frequent increases but at smaller levels,' Mr. Borden said. The chain's franchisees ultimately determine prices at their locations, and some McDonald's restaurant owners said they are increasing prices now given rapidly escalating costs, particularly for fuel." [The Wall Street Journal, [06/11/22](#)]

Overall, McDonald's Reported Its Second Quarter Net Income Decreased To \$1.19 Billion, Reporting A \$1.2 Billion Charge From The Sale Of Russian Business. "McDonald's reported second-quarter net income of \$1.19 billion, or \$1.60 per share, down from \$2.22 billion, or \$2.95 per share, a year earlier. The company

reported a \$1.2 billion charge related to the sale of its Russian business due to the war in Ukraine." [CNBC, [07/26/22](#)]

Despite Its Exit From Russia, McDonald's Continued To See Its Revenue Increase By 3% Year-Over-Year To Over \$11.3 Billion In The First Six Months Of Its FY 2022, While Its Net Income Decreased 39% To \$2.2 Billion In The Same Period:

	Quarters Ended June 30,				Six Months Ended June 30,			
	2022	2021	Inc/ (Dec)	Inc/ (Dec) Excluding Currency Translation	2022	2021	Inc/ (Dec)	Inc/ (Dec) Excluding Currency Translation
Revenues	\$ 5,718.4	\$ 5,887.9	(3) %	3 %	\$11,384.0	\$11,012.5	3 %	8 %
Operating income	1,711.8	2,691.1	(36)	(30)	4,024.4	4,972.4	(19)	(15)
Net income	1,188.0	2,219.3	(46)	(42)	2,292.4	3,756.5	(39)	(36)
Earnings per share-diluted	\$ 1.60	\$ 2.95	(46) %	(41) %	\$ 3.08	\$ 5.00	(38) %	(35) %

[McDonald's, [07/26/22](#)]

During The First Six Months Of Its FY 2022, McDonald's Rewarded Shareholders With Over \$2 Billion In Cash Dividends:

	Quarters Ended		Six Months Ended	
	June 30, 2022	2021	June 30, 2022	2021
Common stock dividends	<u>(1,016.9)</u>	<u>(963.3)</u>	<u>(2,042.0)</u>	<u>(1,925.6)</u>

[McDonald's via SEC, [08/04/22](#)]

McDonald's Also Spent Over \$2.5 Billion On Stock Buybacks In The First Six Months Of Its FY 2022:

	Quarters Ended		Six Months Ended	
	June 30, 2022	2021	June 30, 2022	2021
Treasury stock purchases	<u>(1,031.2)</u>	<u>(3.0)</u>	<u>(2,537.7)</u>	<u>(24.5)</u>

[McDonald's via SEC, [08/04/22](#)]

Mondelez—The Second Largest U.S. Food Company By Market Cap—Noted That It Hasn't Seen Much Consumer Pushback Over Its Price Hikes As It Saw \$1.6 Billion In Net Income In The First Half Of Its FY 2022, An 8.3% Increase In Revenue In The Same Period, And Spent \$977 Million On Shareholder Dividends And Over \$1.5 Billion On Stock Buybacks.

As Of September 1, 2022, Mondelez Was The Second Largest U.S. Food Company By Market Capitalization:



\$84.39 B

\$61.58

▼ 0.45%



USA

[CompaniesMarketCap.com, accessed [09/01/22](#)]

Mondelez Makes Food Brands Such As Oreo, Ritz, Honey Maid Graham Crackers, Among Others.

[Mondelez, accessed [09/01/22](#)]

July 2022: Mondelez CEO Dirk Van De Put Said, "While Consumers (In Developed Markets) Express Growing Frustration With Rising Prices For A Broad Range Of Goods And Services, They Continue To Perceive Chocolate And Biscuits As Affordable Indulgences And An Important Pick-Me-Up." "The Cadbury chocolate maker forecast 2022 organic net revenue to rise by more than 8%, compared with its prior estimate of over 4%. 'While consumers (in developed markets) express growing frustration with rising prices for a broad range of goods and services, they continue to perceive chocolate and biscuits as affordable indulgences and an important pick-me-up,' Chief Executive Dirk Van de Put said on a post-earnings call." [Reuters, [07/26/22](#)]

Mondelez's Global CFO Luca Zaramella Acknowledged That " Consumers Could Start Pushing Back Against Price Increases [...] Though It Has Seen Little Impact So Far." "Mondelez's finance chief, Luca Zaramella, said consumers could start pushing back against price increases, particularly in Europe - where the inflation pinch is more pronounced than in the United States - though it has seen little impact so far." [Reuters, [07/26/22](#)]

- **Luca Zaramella Is Mondelez's Global Chief Financial Officer.** [Linkedin Profile for Luca Zaramella, accessed [07/27/22](#)]

July 2022: In Its Q2 2022 Earnings Release, Mondelez CEO Dirk Van De Put Stated, "Our Second Quarter And First Half Results Were Marked By Strong Top And Bottom-Line Performance Across All Regions And Categories." "Our second quarter and first half results were marked by strong top and bottom-line performance across all regions and categories, supporting the raising of our full-year revenue growth outlook,' said Dirk Van de Put, Chairman and Chief Executive Officer." [Mondelez International, [07/26/22](#)]

In Its Q2 2022, Mondelez Announced A 10% Increase To Its Quarterly Dividend. "Second Quarter Highlights [...] Announcing +10% increase to quarterly dividend." [Mondelez International, [07/26/22](#)]

In The First Six Months Of Its FY 2022, Mondelez Saw Its Net Income Decrease To \$1.6 Billion:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Net earnings attributable to Mondelēz International	\$ 747	\$ 1,078	\$ 1,602	\$ 2,039

[Mondelez International, [07/26/22](#)]

Meanwhile, Mondelez's Net Revenues Increased To \$15 Billion, Up 8.3% Year-Over-Year:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Net revenues	\$ 7,274	\$ 6,642	\$ 15,038	\$ 13,880

[Mondelez International, [07/26/22](#)]

In The First Six Months Of Its FY 2022, Mondelez Spent \$977 Million On Shareholder Dividends, \$81 Million More Than It Spent In The Same Period In Its FY 2021:

For the Six Months Ended June 30,	
2022	2021
[...]	[...]
(977)	(896)

[Mondelez International, [07/26/22](#)]

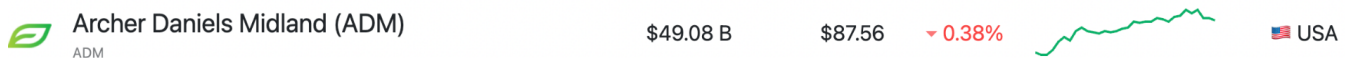
In The First Six Months Of Its FY 2022, Mondelez Spent \$1.506 Billion On Stock Buybacks, \$8 Million More Than It Spent In The Same Period In Its FY 2021:

For the Six Months Ended June 30,	
2022	2021
[...]	[...]
(1,506)	(1,498)

[Mondelez International, [07/26/22](#)]

Archer Daniels Midland—Which Has Seen Increased Profits From Lower Grain Supplies Due To The War In Ukraine—Saw Its Net Earnings Increase By Over 63% To Nearly \$2.3 Billion In The First Half Of Its FY 2022, Saw Its Revenues Increase By Nearly 22% To Over \$50.9 Billion In The Same Period, As The Company Spent \$653 Million On Stock Buybacks And Dividends During The First Six Months Of 2022.

As Of September 1, 2022, Archer Daniels Midland (ADM) Was The Third Largest U.S. Food Company By Market Capitalization:



[CompaniesMarketCap.com, accessed [09/01/22](#)]

ADM “Is A Food Processing And Commodities Trading Corporation” With “Over 400 Procurement Facilities And 270 Food Processing Plants.” “Archer Daniels Midland is a food processing and commodities

trading corporation that operates over 400 crop procurement facilities and 270 food processing plants across the globe.” [Fortune, accessed [09/01/22](#)]

- **The Company Also “Procures, Transports, Stores, Processes, And Sells Agricultural Goods Such As Barley, Oilseeds, Corn, Milo, Oats, And Wheat.”** “Archer-Daniels-Midland Company procures, transports, stores, processes, and sells agricultural goods such as barley, oilseeds, corn, milo, oats, and wheat, across the world. The company’s three main segments are agriculture Services & Oilseeds, Carbohydrate Solutions, and Nutrition.” [Seeking Alpha, [08/01/22](#)]

April 2022: In Its Q1 2022, ADM Reported Its Profits Increased By 53% YoY, As The War In Ukraine And Other Geographical Issues Led To Lower Grain Supply. “Strong demand and a tight global crop supply propelled grain trader Archer Daniels Midland Co. to a 53% profit increase in its most recent quarter. Agricultural traders such as ADM help direct the flow of corn, soybeans, wheat and other food commodities around the world. These companies are benefiting from higher demand after Russia invaded Ukraine earlier this year, reducing supplies from one of the world’s top grain-exporting regions. Illinois-based ADM said it expects the reduced supply of crops to continue for the next few years because of a weak Canadian canola crop, short South American crops and the war in the Black Sea region.” [The Wall Street Journal, [04/26/22](#)]

- **Headline: ADM Reports Higher Profit As Ukraine War Tightens Global Food Supply.** [The Wall Street Journal, [04/26/22](#)]

July 2022: Archer Daniels Saw Its Profits Skyrocket By 74% In Q2 2022 As The War In Ukraine Continued To See The Price Of Grain Increase. “Archer Daniels Midland’s earnings jumped 74% in the second quarter of 2022, fueled by higher prices for grains like wheat and soy. The earnings report reflects the quarter ending June 30, before Russia and Ukraine’s deal to reopen grain shipping ports on the Black Sea last week.” [FoodDive, [07/28/22](#)]

- **Headline: ADM’s Profit Jumps 74% On Higher Grain Prices And Demand.** [FoodDive, [07/28/22](#)]
- **In Its Earnings Call, ADM Acknowledged Its Earners “Were Fueled In Part By Higher Prices For Commodities.”** “ADM acknowledged that its earnings in the last quarter were fueled in part by higher prices for commodities.” [FoodDive, [07/28/22](#)]

In The First Six Months Of 2022, ADM Saw Its Net Earnings Increase To Nearly \$2.3 Billion, A 63.4% Increase Year-Over-Year:

	Quarter ended		Six months ended	
	June 30		June 30	
	2022	2021	2022	2021
Net earnings attributable to ADM	\$ 1,236	\$ 712	\$ 2,290	\$ 1,401

[Archer Daniels Midland, [07/26/22](#)]

In The First Six Months Of 2022, Archer Daniels Also Saw Its Revenues Increase To Over \$50.9 Billion, Up \$9.1 Billion Year-Over-Year, A Nearly 21.8% Increase:

	Quarter ended		Six months ended	
	June 30		June 30	
	2022	2021	2022	2021
	(in millions)			
Revenues				
Ag Services and Oilseeds	\$21,429	\$18,271	\$ 39,682	\$ 33,278
Carbohydrate Solutions	3,751	2,820	7,117	5,043
Nutrition	2,003	1,733	3,927	3,296
Other Business	101	102	208	202
Total revenues	\$27,284	\$22,926	\$ 50,934	\$ 41,819

[Archer Daniels Midland, [07/26/22](#)]

Meanwhile, In The First Six Months Of 2022, Archer Daniels Spent \$200 Million On Stock Buybacks And \$453 Million On Shareholder Dividends:

	Six months ended	
	June 30	
	2022	2021
	(in millions)	
Share repurchases	(200)	—
Cash dividends	(453)	(417)

[Archer Daniels Midland, [07/26/22](#)]

Kraft Heinz—Which Has Raised Prices And Announced That Further Hikes Would Take Effect In August 2022—Saw Its Net Income Skyrocket By Nearly 93% To Over \$1 Billion During The First Six Months Of Its FY 2022, As The Company Spent \$980 Million Rewarding Shareholders With Dividends In The Same Period.

As Of September 1, 2022, Kraft Heinz Was The Fourth Largest Food Company By Market Capitalization:



[CompaniesMarketCap.com, accessed [09/01/22](#)]

- **Kraft Heinz Is A Food And Drink Company That Manufactures Brands Such As Kraft Mac & Cheese, Oscar Mayer, Kool-Aid, And Others.** [Kraft Heinz, accessed [08/25/22](#)]

June 2022: Kraft Heinz Announced Upcoming Price Increases On A Range Of Items In August 2022, Claiming The “Persistence Of Increases Makes It Necessary To Announce Price Changes.” “Kraft Heinz notified retailer customers this past Monday that it would raise prices in August on items ranging from Miracle Whip and Classico pasta sauce to Maxwell House coffee products and some deli meat. Cory Onell, chief sales officer at Kraft Heinz, wrote in the memo to retailers that inflation continues to affect the economy and shape

consumption patterns. Costs continue to rally and the persistence of increases makes it necessary to announce price changes, he wrote.” [The Wall Street Journal, [06/11/22](#)]

Kraft Previously Raised Prices In 2022 And Had Raised Prices By 13.9% Since 2019. “Many food makers, including Kraft, have already raised prices this year. Kraft has raised prices 13.9% since 2019, Chief Executive Officer Miguel Patricio said at an investor conference earlier this month.” [The Wall Street Journal, [06/11/22](#)]

July 2022: In Its Q2 2022 Earnings Call, Kraft Heinz Executive Vice President And President Of North America Said That Its Brands Philadelphia Cream Cheese And Heinz Ketchup Saw "Record Shares." "We saw that in Q2, where in fact, we have able to kind of unlock opportunities within, for example, brands like Philadelphia or Heinz Ketchup, both of which had record shares, in fact, higher share, they ever had in both of those businesses. So, I think as we go forward, we always going to continue to improve our position." [Seeking Alpha, [07/27/22](#)]

During The First Six Months Of Its FY 2022, Kraft Heinz Saw Its Net Income Jump Nearly 93% YoY To Over \$1 Billion:

	For the Three Months Ended			For the Six Months Ended		
	June 25, 2022	June 26, 2021	% Chg vs PY	June 25, 2022	June 26, 2021	% Chg vs PY
Gross profit	\$ 1,984	\$ 2,291	(13.4)%	\$ 3,915	\$ 4,492	(12.8)%
Operating income/(loss)	542	1,235	(56.2)%	1,657	2,324	(28.7)%
Net income/(loss)	265	(25)	1,136.4%	1,046	543	92.7%

[Kraft Heinz, [07/27/22](#)]

During The First Six Months Of 2022, Kraft Heinz Also Paid \$980 Million In Dividends To Its Shareholders:

	For the Six Months Ended	
	June 25, 2022	June 26, 2021
Dividends paid	(980)	(979)

[Kraft Heinz, [07/27/22](#)]

General Mills—Which Hiked Prices Five Times Over The Past Year—Saw Its Net Earnings Climb By 46.5% To Over \$1.4 Billion, While It Spent Over \$621 Million On Shareholder Dividends And Over \$501 Million On Stock Buybacks In The Last Six Months Of Its FY 2022 Ending June 2022, A \$193.1 Million Increase in Shareholder Handouts Over the Same Period Of FY 2021.

As Of September 1, 2022, General Mills Was The Fifth Largest U.S. Food Company By Market Capitalization:



[CompaniesMarketCap.com, accessed [09/01/22](#)]

General Mills Makes Brands Such As Cheerios, Nature Valley, Progresso Soup, And Others. [General Mills, accessed [09/01/22](#)]

June 2022: General Mills Inc. Group President Of North American Retail Jonathon J. Nudi Said The Company Had Raised Prices Five Times In The Prior Year. "General Mills, Inc. has raised prices five times over the past year, a development likely without precedent, said Jonathon J. Nudi, Group President of North American Retail." [Food Business News, [06/02/22](#)]

Nudi Said, "We Have Not Taken Five Rounds Of Pricing In Many, Many Years, Let Alone All In One," And Of The Company's 25 Different Product Categories, "We Hit All Of Those Categories And Some Of Them Multiple Times." "We have not taken five rounds of pricing in many, many years, let alone all in one,' Mr. Nudi said. 'Every one of those actions didn't involve all of our products, but we compete in 25 different categories across the store. So we hit all of those categories and some of them multiple times. And that obviously required a different risk.'" [Food Business News, [06/02/22](#)]

Nudi Added That "The Price Moves Have Not Cost General Mills Market Share." "To date, the price moves have not cost General Mills market share, Mr. Nudi said. To the contrary, the company has been gaining share across two thirds of its categories, he said. 'When you look at elasticities, elasticities are less than half of what they've been historically,' he said. 'We're watching that all the time and obviously as we take more and more price, there is elasticity out there. It's just not what we've seen historically.'" [Food Business News, [06/02/22](#)]

During The Last Six Months Of Its FY 2022 Ending June 2022, General Mills Saw Net Sales Of \$9.24 Billion, A 2.2% Increase Year-Over-Year:

	<u>Third Quarter</u>		<u>Fourth Quarter</u>	
	<u>Fiscal Year</u>		<u>Fiscal Year</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net sales	\$ 4,537.7	\$ 4,520.0	\$ 4,891.2	\$ 4,523.6

[General Mills SEC Form 10-K, [06/30/22](#)]

Meanwhile, General Mills Saw Its Net Earnings Increase To \$1.48 Billion In The Past Two Quarters, A 46.5% Increase YoY:

	<u>Third Quarter</u>		<u>Fourth Quarter</u>	
	<u>Fiscal Year</u>		<u>Fiscal Year</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net earnings attributable to General Mills	<u>660.3</u>	<u>595.7</u>	<u>822.8</u>	<u>416.8</u>

[General Mills SEC Form 10-K, [06/30/22](#)]

During The Last Six Months Of Its FY 2022 Ending June 2022, General Mills Spent \$621.3 Million On Shareholder Dividends.

General Mills Spent \$621.3 Million On Shareholder Dividends In The Last Six Months Of Its FY 2022 Ending June 2022:

- **General Mills Spent Over \$1.24 Billion On Shareholder Dividends In Its FY 2022 And Nearly \$1.25 Billion On Shareholder Dividends In FY 2021:** [General Mills, [06/29/22](#)]

	Fiscal Year	
	2022	2021
	(Unaudited)	
Purchases of common stock for treasury	(876.8)	(301.4)
Dividends paid	(1,244.5)	(1,246.4)

[General Mills, [06/29/22](#)]

- **General Mills Spent Over \$623 Million On Shareholder Dividends In The First Six Months Of Its FY 2022 And Over \$617 Million On Shareholder Dividends In The First Six Months Of Its FY 2021.**

	Six-Month Period Ended	
	Nov. 28, 2021	Nov. 29, 2020
Purchases of common stock for treasury	(375.0)	(0.1)
Dividends paid	(623.2)	(617.7)

[General Mills, [12/21/21](#)]

During The Last Six Months Of Its FY 2022 Ending June 2022, General Mills Spent \$501.8 Million On Stock Buybacks, Up \$200.5 Million Over The Same Period of 2021.

- **During The First Six Months Of Its FY 2022, General Mills Spent \$375 Million On Stock Buybacks, Up From \$100,000 In The Same Period In Its FY 2021:**

	Six-Month Period Ended	
	Nov. 28, 2021	Nov. 29, 2020
Purchases of common stock for treasury	(375.0)	(0.1)
Dividends paid	(623.2)	(617.7)

[General Mills, [12/21/21](#)]

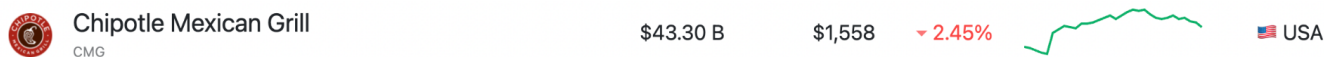
- **General Mills Spent \$876.8 Million On Stock Buybacks In Its FY 2022, Up 191% YoY From \$301.4 Million During Its FY 2021:**

	Fiscal Year	
	2022	2021
	(Unaudited)	
Purchases of common stock for treasury	(876.8)	(301.4)
Dividends paid	(1,244.5)	(1,246.4)

[General Mills, [06/29/22](#)]

Chipotle Mexican Grill—Which Has Announced Several Price Increases Throughout Its FY 2022—Saw Its Net Income Climb By Nearly 33% To \$418.2 Million In The First Six Months Of Its FY 2022 Ending June 30, As The Chain Also Spent \$521.2 Million On Stock Buybacks Over That Same Period, A \$314.7 Million Increase Over The Same Period Of 2021

As Of September 1, 2022, Chipotle Mexican Grill Was The Sixth Largest U.S. Food Company By Market Capitalization:



[CompaniesMarketCap.com, accessed [09/01/22](#)]

July 2022: After Previously Raising Prices On Consumers, Chipotle CEO Brian Niccol Announced His Company Would Raise Prices Again In August While Admitting Low-Income Consumers Had "Pulled Back Their Purchase Frequency" But Fortunately The "Majority Of Our Customers Are A Higher Household Income Consumer." "Chipotle Mexican Grill on Tuesday reported disappointing sales as price hikes helped boost profits but may have scared away some inflation-weary customers. 'The low-income consumer definitely has pulled back their purchase frequency,' CEO Brian Niccol said on the company's conference call. 'Fortunately for Chipotle, you know, the majority of our customers are a higher household income consumer.' The company also said it would raise prices again in August, indicating that costs keep rising for its restaurants." [CNBC, [07/26/22](#)]

- **Headline: Chipotle Price Hikes Drive Profit Growth – And The Chain Says More Increases Are Coming.** [CNBC, [07/26/22](#)]

July 2022: In Announcing Chipotle's Earnings, Brian Niccol Stated He Was "Pleased With Our Second Quarter Performance During A Period Of Inflation And Consumer Uncertainty" And That The Company's "Pricing Power And Value Proposition Remain Strong." "We are pleased with our second quarter performance during a period of inflation and consumer uncertainty,' said Brian Niccol, Chairman and CEO, Chipotle. 'Our pricing power and value proposition remain strong as our culinary and food with integrity commitment continues to be a key point of differentiation.'" [Chipotle, [07/26/22](#)]

Chipotle's Net Income Also Climbed By Over 32.7% To Over \$418.2 Million, From \$315.0 Million In The Same Period In Its FY 2021::

	Six months ended	
	June 30,	
	2022	2021
Operating activities		
Net income	\$ 418,236	\$ 315,075

[Chipotle, [07/26/22](#)]

In The First Six Months Of Its FY 2022 Ending June 2022, Chipotle Spent \$521.2 Million On Stock Buybacks.

In Its Q2 2022, Chipotle Spent \$261.1 Million On Stock Buybacks, With The Board Approving An Additional \$300 Million To Its Already \$319.7 Million In Authorized Share Repurchases. “During the second quarter, our Board of Directors approved the investment of up to an additional \$300 million, exclusive of commissions, to repurchase shares of our common stock, subject to market conditions. Including this repurchase authorization, \$319.7 million was available as of June 30, 2022. The repurchase authorization may be modified, suspended, or discontinued at any time. We repurchased \$261.1 million of stock at an average price per share of \$1,350 during the second quarter.” [Chipotle, [07/26/22](#)]

In Its Q1 2022, Chipotle Spent \$260.1 Million On Stock Buybacks. “During the quarter, our Board of Directors approved the investment of up to an additional \$300 million, exclusive of commissions, to repurchase shares of our common stock, subject to market conditions. Including this repurchase authorization, \$280.8 million was available as of March 31, 2022. The repurchase authorization may be modified, suspended, or discontinued at any time. We repurchased \$260.1 million of stock at an average price per share of \$1,490 during the first quarter.” [Chipotle, [04/26/22](#)]

In The First Six Months Of FY 2021, Chipotle Spent \$206.5 Million On Stock Buybacks.

In Its Q2 2021, Chipotle Spent \$145.3 Million On Stock Buybacks. “During the quarter, our Board of Directors approved the investment of up to an additional \$200 million, exclusive of commissions, to repurchase shares of our common stock, subject to market conditions. Including this repurchase authorization, \$208.5 million was available as of June 30, 2021. The repurchase authorization may be modified, suspended, or discontinued at any time. We repurchased \$145.3 million of stock at an average price per share of \$1,408 during the second quarter.” [Chipotle, [07/20/21](#)]

In Its Q1 2021, Chipotle Spent \$61.2 Million On Stock Buybacks. “During the quarter, our Board of Directors approved the investment of up to an additional \$100 million, exclusive of commissions, to repurchase shares of our common stock, subject to market conditions. Including this repurchase authorization, approximately \$153.8 million was available as of March 31, 2021. The repurchase authorization may be modified, suspended, or discontinued at any time. We restarted the buyback program in late February and repurchased \$61.2 million of stock at an average price of \$1,425 during the first quarter.” [Chipotle, [04/21/21](#)]

Tyson Foods—Which Raised Its Chicken Prices By As Much As 20% In The Past Year—Saw Its Net Income During First Half Of 2022 Jump By 28.9% To Over \$1.5 Billion, As The Meatpacking Giant Spent \$324 Million On Shareholder Dividends And \$345 Million On Stock Buybacks.

As Of September 1, 2022, Tyson Foods Was The Seventh Largest U.S. Food Company By Market Capitalization:



\$26.94 B

\$74.92

▼ 0.61%



USA

[CompaniesMarketCap.com, accessed [09/01/22](#)]

Tyson Is One Of Four Companies That Control The U.S. Beef Packing Industry. “U.S. lawmakers are seeking increased oversight of the beef sector as concerns about anticompetitive behavior increase after the pandemic and a cyberattack on a major meat company, JBS USA. Agriculture officials are meanwhile pushing for more processing capacity and ranchers are opening new slaughterhouses after plant shutdowns highlighted the industry’s reliance on large facilities run by four main processors. [...] The big four processors in the U.S. beef sector are: Cargill (CARG.UL), a global commodity trader based in Minnesota; Tyson Foods Inc (TSN.N), the chicken producer that is the biggest U.S. meat company by sales; Brazil-based JBS SA (JBSS3.SA), the

world's biggest meatpacker; and National Beef Packing Co (NBEEF.UL), which is controlled by Brazilian beef producer Marfrig Global Foods SA (MRFG3.SA)." [Reuters, [06/17/21](#)]

Tyson Also Owns Popular Brands Such As Jimmy Dean, Hillshire Farm, BallPark, And Sara Lee, Among Others. [Tyson Foods, accessed [09/01/22](#)]

August 2022: Tyson Foods Reported That "Raising Chicken Prices Helped Its Sales Move Higher." "Consumers are choosing to buy chicken and cheaper cuts of beef, Tyson Foods Inc. said on Monday, a sign shoppers are becoming more cost-conscious as food prices rise. Rather than buying more expensive steaks and loins, consumers are spending more on less expensive chicken and other meats, company officials said. Tyson, the biggest U.S. meat processor by sales, said raising chicken prices helped its sales move higher in its most recent quarter even as its profit margins were hampered by higher costs and consumers pulling back from premium beef cuts." [Wall Street Journal, [08/08/22](#)]

Prices For Tyson's Chicken Products Increased By As Much As 20%. "Tyson said the average sales price for beef was 1.2% lower over the three months ended July 2 as customers opted for cheaper cuts. The price of pork was 3.9% lower. Chicken prices, meanwhile, surged 20% and 14% in its prepared foods business, which includes brands such as Jimmy Dean and Ball Park." [Wall Street Journal, [08/08/22](#)]

During The Most Recent Two Quarters Of Its FY 2022 Ending July 2022, Tyson Foods Saw Its Net Income Increase By 28.9%, Or \$356 Million, To Over \$1.5 Billion:

In Its Q3 2022, Tyson Foods Saw It Net Income Stay Level At \$753 Million Year-Over-Year:

	Three Months Ended	
	July 2, 2022	July 3, 2021
Net Income	<u>753</u>	<u>753</u>

[Tyson Foods SEC Form 10-Q, [08/08/22](#)]

During Its Q2 2022, Tyson Foods Saw Its Net Income Increase To \$833 Million From \$477 Million In 2021:

	Three Months Ended	
	April 2, 2022	April 3, 2021
Net income	\$ <u>833</u>	\$ <u>477</u>

[Tyson Foods SEC Form 10-Q, [05/09/22](#)]

During The Most Recent Two Quarters Of Its FY 2022 Ending July 2022, Tyson Foods Spent \$324 Million On Shareholder Dividends, A \$5 Million Increase From 2021:

In Its Q3 2022, Tyson Foods Spent \$161 Million On Shareholder Dividends:

	Three Months Ended	
	July 2, 2022	July 3, 2021
Dividends	<u>(161)</u>	<u>(160)</u>

[Tyson Foods SEC Form 10-Q, [08/08/22](#)]

In Its Q2 2022, Tyson Foods Spent \$163 Million On Shareholder Dividends:

	Three Months Ended			
	April 2, 2022		April 3, 2021	
	Shares	Amount	Shares	Amount
Dividends				
				(159)

[Tyson Foods SEC Form 10-Q, [05/09/22](#)]

During The Most Recent Two Quarters Of Its FY 2022 Ending July 2022, Tyson Foods Spent \$345 Million On Stock Buybacks, Compared to Just \$33 Million During The Same Period Of 2021.

In Its Q3 2022, Tyson Foods Spent \$170 Million On Stock Buybacks:

	Three Months Ended			
	July 2, 2022		July 3, 2021	
	Shares	Dollars	Shares	Dollars
Shares repurchased:				
Under share repurchase program	1.8	\$ 155	—	\$ —
To fund certain obligations under equity compensation plans	0.1	15	0.2	16
Total share repurchases	1.9	\$ 170	0.2	\$ 16

[Tyson Foods SEC Form 10-Q, [08/08/22](#)]

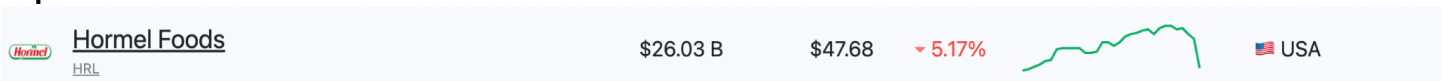
In Its Q2 2022, Tyson Foods Spent \$175 Million On Stock Buybacks:

	Three Months Ended			
	April 2, 2022		April 3, 2021	
	Shares	Dollars	Shares	Dollars
Shares repurchased:				
Under share repurchase program	1.5	\$ 132	—	\$ —
To fund certain obligations under equity compensation plans	0.5	43	0.2	17
Total share repurchases	2.0	\$ 175	0.2	\$ 17

[Tyson Foods via SEC, [05/09/22](#)]

Hormel Foods—Which Has Repeatedly Raised Prices On Consumers—Has Seen “Record Sales” In The First Six Months Of 2022, As The Company’s Net Earnings Increased By \$51 Million To Over \$500 Million And It Spent \$274 Million On Shareholder Dividends.

As Of September 1, 2022, Hormel Foods Was The Eighth Largest U.S. Food Company By Market Capitalization:



[CompaniesMarketCap.com, accessed [09/01/22](#)]

Hormel Foods Makes Popular Brands Such As Skippy Peanut Butter, Spam, Planters, And Others.

[Hormel Foods, accessed [09/01/22](#)]

In June 2022, Hormel Foods Announced Pricing Actions On Spam And “Pre-Made Guacamole.”

“Conversely, the cost of many brand-name goods continues to march ever higher. Hormel Foods this week said it is increasing prices on brands including Spam and its pre-made guacamole as the global producer looks to cover the higher costs of transportation, packaging, meat and avocados.” [CBS News, [06/03/22](#)]

- **Headline: Private-Label Discounts Galore, But Spam And Pre-Made Guacamole Will Cost More.** [CBS News, [06/03/22](#)]

June 2022: Hormel Foods Chairman And CEO Jim Snee Touted The Company’s “Sixth Consecutive Quarter Of Record Sales” In Its Q2 2022. “We delivered strong top- and bottom-line growth during the quarter, leveraging our balanced business model, leading brands and experienced management team,” said Jim Snee, chairman of the board, president and chief executive officer. “The second quarter marked our sixth consecutive quarter of record sales, and we achieved earnings growth for the third consecutive quarter. Operating margin increased compared to the first quarter, an indication that our efforts to mitigate inflationary pressures are working. We also made meaningful progress across our supply chain, where our investments in capacity and a recovery in staffing levels contributed to improved fill rates, inventories and production volumes. These excellent results further demonstrate our team's ability to execute in difficult operating conditions and support the value of our clear strategic priorities.” [Hormel Foods, [06/02/22](#)]

- **June 2022 Headline: Hormel Foods Reports Record Sales And Double-Digit Earnings Growth In The Second Quarter.** [Hormel Foods, [06/02/22](#)]

June 2, 2022: During Hormel Foods’ Q2 2022 Earnings Call, Snee Bragged That Price Inflation In Refrigerated Foods “More Than Offset Higher Freight Expenses For All Segments” And Announced “Another Round Of Price Increases Across Our Grocery Portfolio.” “Jim Snee – Chairman, President and Chief Executive Officer [...] From an earnings perspective, our Jennie-O Turkey Store segment had an outstanding quarter, as its ability to adjust to current market conditions and meet strong results. Likewise, our foodservice businesses in Refrigerated Foods were able to price for inflation and deliver excellent volume growth. These businesses more than offset higher freight expenses for all segments and the earnings decline in grocery products, which absorbed significantly higher costs for certain inputs, such as avocados, protein and packaging. We have announced another round of pricing actions across our grocery portfolio to help mitigate these inflationary pressures, but will, in the meantime, lean into our balanced model as we did this past quarter.” [Seeking Alpha, [06/02/22](#)]

In The First Six Months Of Its FY 2022 Ending May 2022, Hormel Reported \$501.4 Million In Net Earnings, Compared To \$450.3 Million For The Same Period Of 2021, A \$51 Million Increase:

	Quarter Ended		Six Months Ended	
	May 1, 2022	April 25, 2021	May 1, 2022	April 25, 2021
Operating Activities				
Net Earnings	\$ 261,679	\$ 227,921	\$ 501,389	\$ 450,316

[Hormel Foods, [06/02/22](#)]

In The First Six Months Of Its FY 2022 Ending May 2022, Hormel Spent \$274 Million On Shareholder Dividends, Compared To \$257.8 Million In 2021, An Over \$16 Million Increase:

	Quarter Ended		Six Months Ended	
	May 1, 2022	April 25, 2021	May 1, 2022	April 25, 2021
Dividends Paid on Common Stock	(141,155)	(132,271)	(274,063)	(257,787)
Share Repurchase	—	(816)	—	(9,653)

[Hormel Foods, [06/02/22](#)]

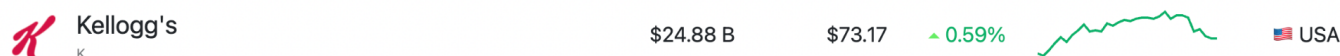
In The First Six Months Of Its FY 2022 Ending May 2022, Hormel Reported No Buybacks After Spending Nearly \$9.7 Million On Buybacks In 2021:

	Quarter Ended		Six Months Ended	
	May 1, 2022	April 25, 2021	May 1, 2022	April 25, 2021
Dividends Paid on Common Stock	(141,155)	(132,271)	(274,063)	(257,787)
Share Repurchase	—	(816)	—	(9,653)

[Hormel Foods, [06/02/22](#)]

The Kellogg Company—Which Has Announced Several Price Increases, Including A 13.7% Increase On Its Average Selling Price During Q2 Of 2022—Raised Its Forecast For Full-Year Earnings After Reporting \$750 Million In Net Income In The First Six Months Of Its FY 2022, Seeing Net Sales Increase To Over \$7.5 Billion, And Spending \$694 Million On Shareholder Handouts Over The Same Period, A \$62 Million Increase From 2021.

As Of September 1, 2022, Kellogg's Was The Ninth Largest U.S. Food Company By Market Capitalization:



[CompaniesMarketCap.com, accessed [09/01/22](#)]

Kellogg's Makes Popular Food Brands Such As Cheez-It, Froot Loops, Pringles, And Others. [Kellogg's, accessed [09/01/22](#)]

May 2022: In Its Q1 2022 Earnings Call, Kellogg's CEO Steve Cahillane Admitted The Company Had "Been Realizing Price Ever Since Cost Inflation Began To Accelerate Back In The Second Half Of 2020." "In an environment in which cost inflation is too high to cover with productivity alone, we have leveraged our enhanced revenue growth management capabilities to realize price effectively. We've been realizing price ever since cost inflation began to accelerate back in the second half of 2020 and we have accelerated as the market-driven cost inflation worsened." [Seeking Alpha, [05/05/22](#)]

- **Cahillane Also Suggested Additional Price Increases Would Be Needed This Year, Stating "We Aren't Going To Be Able To Just Not Pass Prices Through To Consumers."** "Kellogg Co.'s chief executive hinted that additional price increases are inevitable this year amid worsening cost inflation from lingering supply-chain disruptions and the war in Ukraine. 'Ultimately, in an environment like this, which clearly we haven't seen in 40 years, we aren't going to be able to just not pass prices through to

consumers,' said CEO Steve Cahillane. 'Productivity just simply can't cover this type of inflation.'" [Wall Street Journal, [05/05/22](#)]

In Its First Six Months Of FY 2022 Ending July 2022, Kellogg's Saw Its Net Income Decrease Slightly Year-Over-Year To \$750 Million From \$756 Million:

	Quarter ended		Year-to-date period ended	
	July 2, 2022	July 3, 2021	July 2, 2022	July 3, 2021
Net income	326	385	750	756

[Kellogg's, [08/04/22](#)]

Despite Seeing A Slight Decrease In Net Income In Its Q2 2022, Kellogg's Raised Its Forecast For Full-Year Earnings, As The Company Raised Average Selling Prices By 13.7% In The Second Quarter.

"Kellogg Co raised its forecast for full-year earnings on Thursday after topping estimates for quarterly sales, as higher prices for its breakfast cereals and snacks helped it overcome cost-related challenges. [...] Kellogg, known for its Corn Flakes and Honey Loops cereals, said average selling prices were up 13.7% in the second quarter, while sales volumes dropped by a marginal 1.5%." [Yahoo! Finance, [08/04/22](#)]

During The First Six Months Of FY 2022, Kellogg's Saw Its Net Sales Increase To Over \$7.5 Billion, A 5.5% Increase Year-Over-Year:

(Results are unaudited)	Quarter ended		Year-to-date period ended	
	July 2, 2022	July 3, 2021	July 2, 2022	July 3, 2021
Net sales	\$ 3,864	\$ 3,555	\$ 7,536	\$ 7,139

[Kellogg's, [08/04/22](#)]

Meanwhile, Kellogg's Spent \$300 Million On Stock Buybacks And An Additional \$394 Million On Shareholder Dividends, Respectively, In The First Two Quarters Of Its FY 2022:

(unaudited)	Year-to-date period ended	
	July 2, 2022	July 3, 2021
Common stock repurchases	(300)	(240)
Cash dividends	(394)	(392)

[Kellogg's, [08/04/22](#)]

McCormick & Company—Which Spent \$800 Million To Acquire Hot Sauce Brand Cholula In 2020—Saw \$273.4 Million In Net Income In The First Six Months Of Its FY 2022 As The Spice And Sauce Giant's CEO Announced The Company Would Take "Multiple Pricing Actions" And Reported That It Spent Over \$211 Million On Shareholder Handouts In The First Half Of Its FY 2022.

As Of September 1, 2022, McCormick & Company Was The Tenth Largest U.S. Food Company By Market Capitalization:



[CompaniesMarketCap.com, accessed [09/01/22](#)]

During Its Q2 Earnings Call, McCormick CEO Lawrence Kurzius Told Analysts That There Were “Market Conditions In China Also Allowed Very Little Opportunity To Increase Prices.” “McCormick & Co., the world’s largest spice and seasoning company, is looking to recover losses from inflation by raising prices for American consumers, but not Chinese. If you ask CEO Lawrence Kurzius it’s because of ‘market conditions.’ ‘Market conditions in China have also allowed very little opportunity to increase prices,’ Kurzius told investors earlier in the summer.’ ‘Market conditions in China have also allowed very little opportunity to increase prices,’ Kurzius told investors earlier in the summer.” [More Perfect Union, [07/22/22](#)]

- **However, Kurzius Said The Company Was Taking “Multiple Pricing Actions” And “Are Raising Prices Again.”** “Lawrence Kurzius -- Chairman and Chief Executive Officer [...] To partially offset cost pressures, we've taken multiple pricing actions and, as planned, we are raising prices again. Inflation continued to escalate, and we've adjusted our upcoming pricing actions accordingly.” [The Motley Fool, [06/29/22](#)]
- **Headline: The Largest U.S. Company Is Raising Prices In America – But Not China** [More Perfect Union, [07/22/22](#)]

During Its Q1 Earnings Call, Kurzius Said That Inflation Was “Hitting The Meat Case” And McCormick’s Spices “Can Make Less Impressive Meat, More Palatable.” “Lawrence Kurzius [...] Our products are already part of the consumer solution to manage inflation across their whole grocery basket. For instance, inflation is hitting the meat case hard and a little bit of our flavor can make less impressive meat, more palatable and make the consumers whole meal both more affordable and fiber.” [Seeking Alpha, [03/29/22](#)]

McCormick Has A Long History Of Buying Up Competing Spices And Sauces Including Old Bay Seasoning, Stubb’s BBQ Sauce, Frank’s RedHot, French’s Mustard, And Cholula Hot Sauce:

Beyond the Red Cap

A recent history of McCormick’s notable acquisitions

Old Bay
1990



\$12.5m*

Lawry’s
2008



\$604m

Stubb’s
2015



\$100m

Frank’s RedHot and French’s
2017



\$4.2b

Cholula
2020



\$800m

[Bloomberg, [01/26/22](#)]

November 2020: McCormick Completed Its \$800 Million Acquisition Of Cholula Hot Sauce. “McCormick & Co. completed its purchase of the parent company of Cholula Hot Sauce for \$800 million in cash, finalizing a deal announced last week.” [The Baltimore Sun, [11/30/20](#)]

During The First Six Months Of Its FY 2022 Ending May 2022, The Company’s Saw Its Net Income Decreased To \$273.4 Million:

(in millions except per share data)	Three Months Ended		Six Months Ended	
	<u>5/31/2022</u>	<u>5/31/2021</u>	<u>5/31/2022</u>	<u>5/31/2021</u>
Net income	\$ 118.5	\$ 183.7	\$ 273.4	\$ 345.5

[McCormick & Company, [06/29/22](#)]

During The First Six Months Of Its FY 2022 Ending May 2022, McCormick & Company Saw Its Net Sales Increase Slightly Year-Over-Year To \$3.05 Billion:

	Three months ended		Six months ended	
	<u>May 31, 2022</u>	<u>May 31, 2021</u>	<u>May 31, 2022</u>	<u>May 31, 2021</u>
Net sales	\$ 1,536.8	\$ 1,556.7	\$ 3,059.2	\$ 3,038.2

[McCormick & Company, [06/29/22](#)]

During The First Six Months Of Its FY 2022, McCormick Also Spent \$198.2 Million On Shareholder Dividends, Up Over 9% Year-Over-Year:

	Six Months Ended	
	<u>May 31, 2022</u>	<u>May 31, 2021</u>
Dividends paid	(198.2)	(181.6)

[McCormick & Company, [06/29/22](#)]

McCormick & Company Spent \$12.9 Million On Stock Buybacks In The First Six Months Of FY 2022, After Spending Just \$400,000 In 2021:

The following table outlines the activity in our share repurchase program for the six months ended May 31, 2022 and 2021 (in millions):

	2022	2021
Number of shares of common stock repurchased	0.13	—
Dollar amount	\$ 12.9	\$ 0.4

[McCormick & Company SEC Form 10-Q, [06/29/22](#)]

Meanwhile, McCormick Had \$563.1 Million Remaining On Its \$600 Million Share Repurchase Program That Was Approved In November 2019. “As of May 31, 2022, \$563.1 million remained of the \$600 million share repurchase program authorization approved by our Board of Directors in November 2019.” [McCormick & Company via SEC, [06/29/22](#)]

Energy

From July 2021 To July 2022, Energy Prices In The Consumer Price Index “Rose 32.9 Percent” As About 1 In 6 Of American Households Risked Having Utilities Shut Off As The Costs For Energy Services Skyrocketed 18.8% And Electricity Rose 15.2% Year-Over-Year.

As The Energy Index “Rose 32.9 Percent Over The Past 12 Months” In July 2022, 20 Million Households Behind On Utility Bills Risked Having Their Power Shut Off, As Energy Services Prices Rose 18.8% And Electricity Rose 15.2% In The Past Year.

According To The Consumer Price Index, Energy Prices For July 2022 “Rose 32.9 Percent Over The Past 12 Months” As Consumers Also Paid “15.2 Percent” More For Electricity, The Highest Year-Over-Year Increase Since February 2006. “The energy index rose 32.9 percent over the past 12 months. The gasoline index increased 44.0 percent over the span and the fuel oil index rose 75.6 percent. The index for electricity rose 15.2 percent, the largest 12-month increase since the period ending February 2006. The index for natural gas increased 30.5 percent over the last 12 months.” [U.S. Bureau of Labor Statistics, [08/10/22](#)]

- **From July 2021 To July 2022, Prices For Energy Services Rose 18.8%, As Electricity Rose 15.2%.** [U.S. Bureau of Labor Statistics, [08/10/22](#)]

Prices For “Utility (Piped) Gas Service” Increased 30.5% From July 2021 To July 2022. [U.S. Bureau of Labor Statistics, [08/10/22](#)]

For Its “Electricity And Utility (Piped) Gas Service” Categories, The Bureau Of Labor Statistics Collects Data On Service Charges, Consumption Charges, Additional Charges, And Related Taxes.

“For electricity and utility (piped) gas service, data are collected on the following items: [...] Service charges—a fixed charge per bill [...] Consumption charges—for total monthly energy usage [...] Additional charges and/or credits [...] Taxes” [U.S. Bureau of Labor Statistics, accessed [09/06/22](#)]

According To The National Energy Assistance Directors Association, “Over 20 Million Households Are Behind On Their Power Bills’—Or About 1 In 6 Households—And Are At Risk Of Losing Electricity. “The rising cost of living and the impact of inflation have left millions of households across the U.S. with outstanding utility bills — an issue that could get worse with power shutoffs on the horizon and cooler weather looming. The National Energy Assistance Directors Association, which collects national data on energy assistance programs, says 1 in 6, or more than 20 million households, are behind on their power bills.” [The Hill, [08/29/22](#)]

- **Headline: Over 20 Million Households Risk Losing Utilities.** [The Hill, [08/29/22](#)]

As 20 Million Households Faced Losing Power Over Rising Utility Costs, The Five Largest Electricity And Utility Companies By Market Cap Increased Shareholder Handouts By \$378 Million To Over \$6.5 Billion In The First Half Of 2022.

Nextera Energy—The Largest U.S. Electricity And Utilities Company Whose Subsidiary, Florida Power & Light, Hiked Rates For Some Florida Customers By As Much As 20%—Reported A Net Income Of \$420 Million During The First Six Months Of Its FY 2022, As The Company Spent Over \$1.6 Billion On Shareholder Dividends In The Same Period.

As Of August 30, 2022, Nextera Energy Was The Largest Electricity And Utilities Company By Market Capitalization:



According To Nextera’s Website, The Energy Provider Has A “Total Capital Investment Of \$60.7 Billion” And Serves Over 10 Million Customers In The U.S. [Nextera Energy, [accessed 08/30/22](#)]

- **Florida Power & Light Company (FPL)—A Subsidiary Of Nextera—Is Self-Described As “America’s Largest Electricity Utility” Company Serving Over 5.7 Million Customers.** “As America’s largest electric utility, Florida Power & Light Company serves more customers and sells more power than any other utility, providing clean, affordable, reliable electricity to more than 5.7 million accounts, or more than 12 million people.” [Florida Power & Light Company, accessed [08/30/22](#)]

January 2022: FPL Increased Rates On Florida Residents By As Much As 20%, The Largest Rate Increase In The Company’s History. “In October 2021, the Florida Public Service Commission (PSC) approved the largest rate increase in Florida Power and Light (FPL) history. In November, FPL received approval for an additional \$800+ million charge to customers due to surging natural gas prices. Combined, FPL residential customers have started paying nearly 20% more for electricity service starting in January 2022.” [Opportunity For All Floridians, [02/18/22](#)]

July 2022: FPL—In Response To A Florida Supreme Court Challenge On Its 2021 Rate Increase Settlement—Said The Court Should Uphold The Settlement, Which Was Projected To Increase The Utility’s Total Rates By Over \$1.25 Billion. “Florida Power & Light on Wednesday urged the state Supreme Court to reject challenges to a settlement that increased electric rates, arguing the controversial plan is in the ‘public interest.’ [...] The settlement led to a \$692 million rate increase in January and will allow another \$560 million hike in January 2023.” [CBS News, [07/20/22](#)]

In The First Half Of 2022, Nextera Saw Its Net Income Decrease To \$420 Million:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
NET INCOME	<u>1,113</u>	<u>72</u>	<u>420</u>	<u>1,570</u>

[Nextera Energy, [07/27/22](#)]

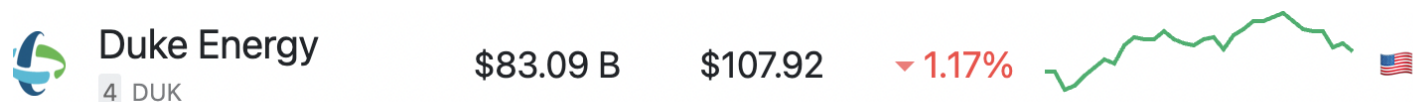
Meanwhile, Nextera Spent Over \$1.6 Billion On Shareholder Dividends, An Increase Of Over 10.5% Year-Over-Year:

	Six Months Ended June 30,	
	2022	2021
Dividends on common stock	(1,671)	(1,511)

[Nextera Energy, [07/27/22](#)]

Duke Energy—Which Has Repeatedly Discussed Increasing Rates On Consumers And Tried To Make Its Indiana Customers Pay More Than \$200 Million To Clean Up The Company’s Toxic Coal Ash—Saw Its Net Income Increase To \$1.7 Billion As The Company Rewarded Its Shareholders With \$1.5 Billion In Dividends Over The Same Period.

As Of August 30, 2022, Duke Energy Was The Second-Largest Electricity And Utilities Company By Market Capitalization:



[CompaniesMarketCap.com, accessed [08/30/22](#)]

Duke Energy Corporation Is "One Of The Largest Electric Power Holding Companies In The U.S., With 7.8 Million Customers In Six States. "We are one of the largest electric power holding companies in the U.S., providing electricity to 7.8 million customers in six states." [Duke Energy Corporation, accessed [02/10/22](#)]

May 2022: In Its Q1 2022 Earnings Call, Duke Chief Financial Officer Steve Young Said Results In The Company's Electric Utilities And Infrastructure Segment Was Favorable Due To "Base Rate Increases." "Steve Young - EVP & CFO [...] Within the segments, Electric Utilities & Infrastructure was up \$0.10 compared to the prior year. Results were favorable due to higher volumes and base rate increases." [Seeking Alpha, [05/09/22](#)]

Also In Its Q1 2022 Earnings Call, Duke CEO Lynn Good Said The Company Filed A Rate Case In South Carolina In April 2022 And Would See "Revised Customer Rates" If The Case Is Approved. "Lynn Good - Chairman, President & CEO [...] Shifting to the LDCs, we continue to make investments to build needed infrastructure, improve reliability and to comply with federal regulations. In South Carolina, we filed a general rate case in April. If approved, we anticipate revised customer rates will be effective by October." [Seeking Alpha, [05/09/22](#)]

Duke's Q1 2022 Results For Its Electric Utilities And Infrastructure Segment Factored In A \$200 Million Indiana Supreme Court Ruling Which Prevented Duke From Making Its Customers Pay For Cleaning Up The Company's Toxic Coal Ash. "Electric Utilities and Infrastructure [...] First-quarter 2022 results include the net impact of charges related to the 2022 Indiana Supreme Court ruling on coal ash. These charges were treated as special items and excluded from adjusted earnings." [Duke Energy Corporation, [05/09/22](#)]

- **March 2022: The Indiana Supreme Court Ruled That Duke Energy Corporation Could Not Make Its Customers Pay Over \$200 Million To Clean Up Toxic Coal Ash Which Leached Into Groundwater.** "Indiana's biggest utility can't make its customers pay more than \$200 million in costs related to cleaning up its toxic coal ash, according to a ruling Thursday from the Indiana Supreme Court. That's because Duke Energy did not follow the correct process to do so, the Court said. Much of Duke's electricity comes from burning coal, which produces coal ash. This ash

contains a dangerous mix of heavy metals and toxic chemicals such as arsenic, boron, lead and mercury. Sampling shows these toxins have been leaching into groundwater near sites around Indiana where the ash was dumped." [Indianapolis Star, [03/11/22](#)]

August 2022: Duke Energy Was Reportedly Considering Raising Rates On Indiana Consumers By 7% Starting In October 2022. "In Indiana, Duke Energy, the state's largest power provider, is considering a 7% price hike or \$11 more on each bill starting in October." [The Hill, [08/29/22](#)]

During The First Six Months Of Its FY 2022, Duke Energy Saw Its Operating Revenues Increase To Over \$13.8 Billion, A 16% Increase From The Previous Year:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Operating Revenues				
Regulated electric	\$ 6,074	\$ 5,258	\$ 12,007	\$ 10,477
Regulated natural gas	425	302	1,427	1,051
Nonregulated electric and other	186	198	383	380
Total operating revenues	6,685	5,758	13,817	11,908

[Duke Energy, [08/04/22](#)]

During The First Six Months Of Its FY 2022, Duke Energy's Net Income Increased To \$1.7 Billion From \$1.6 Billion In 2021, A Nearly 4%, or \$61 Million, Increase Year-Over-Year:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net Income	880	698	1,700	1,639

[Duke Energy, [08/04/22](#)]


Meanwhile, Duke Energy Spent Over \$1.5 Billion On Shareholder Dividends:

	Six Months Ended June 30,	
	2022	2021
Dividends paid	(1,574)	(1,541)

[Duke Energy via SEC, [08/04/22](#)]



Southern Company—Which Has Increased Rates On Its Georgia Customers As Much As 12% In June 2022—Saw Its Net Income Increase By 41.8% To \$2.1 Billion As The Company Spent Over \$1.4 Billion On Shareholder Dividends In The First Half Of Its FY 2022.

As Of August 30, 2022, Southern Company Was The Third Largest U.S. Electricity And Utility Company In The U.S. By Market Capitalization:



Southern Company

\$82.63 B \$77.74 ▼ 1.19%

[CompaniesMarketCap.com, accessed [08/30/22](#)]

In June 2022, Georgia Power—A Subsidiary Of Southern Company—Announced It Would Hike Rates On Georgia Customers By “Almost 12% More Over The Next Three Years On Their Electric Bills.” “Georgia Power — a unit of The Southern Company SO — is asking customers to pay almost 12% more over the next three years on their electric bills to help finance the cost of upgrades to its transmission and distribution network.” [Yahoo! Finance, [06/28/22](#)]

- **Headline: Southern (SO) Plans To Hike Rates, Invest In Infrastructure.** [Yahoo! Finance, [06/28/22](#)]

The Rate Hike Would Generate An Additional \$7 Billion In Revenue. “A proposal presented by the power supplier on Friday to the Georgia Public Service Commission seeks to boost revenues by nearly \$7 billion during the period. In addition to the fortification of its electric grid, a part of the increase (or around \$2.2 billion) would support Georgia Power’s continued efforts to improve long-term efficiency.” [Yahoo! Finance, [06/28/22](#)]

During The First Six Months Of FY 2022, Southern Company’s Net Income Increased To Over \$2.1 Billion, A 41.8%, Or \$631 Million, Increase Year-Over-Year:

Non-GAAP Financial Measures	Three Months Ended June		Year-to-Date June	
	2022	2021	2022	2021
Net Income - Excluding Items (in millions)				
Net Income - As Reported	\$1,107	\$372	\$2,139	\$1,508

[Southern Company, [07/28/22](#)]

Meanwhile, Southern Company Spent Over \$1.4 Billion On Shareholder Dividends:

For the Six Months Ended June 30,
2022 **2021**

Payment of common stock dividends	(1,425)	(1,377)
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[Southern Company via SEC, [07/28/22](#)]

In The First Six Months Of FY 2022, Dominion Energy—Which Has Made Several Requests To Increase Customer Rates Across Several States—Saw Its Operating Revenue Grow By \$967 Million To \$7.87 Billion And Spent Over \$1 Billion On Dividends In The First Half Of Its FY 2022 Despite Its Net Income Falling To \$258 Million.

As Of August 30, 2022, Dominion Energy Was The Fourth Largest U.S. Electricity And Utility Company In The U.S. By Market Capitalization:



Dominion Energy
D

\$68.12 B

\$81.83

▼ 0.64%



USA

[CompaniesMarketCap.com, accessed [08/30/22](#)]

Dominion Energy Supplies Electricity And Natural Gas To 7 Million Customers In 13 States. “About 7 million customers in 13 states energize their homes and businesses with electricity or natural gas from Dominion Energy (NYSE: D), headquartered in Richmond, Va.” [Dominion Energy, accessed [09/06/22](#)]

May 2022: Dominion Asked Virginia State Regulators To “Approve An Increase In Its Fuel Factor,” Which Could Increase Consumers’ Monthly Bills By 12 To 20 Percent. “Dominion customers could see their monthly bill rise by between 12 and 20 percent due to rising fuel costs linked to the COVID-19 pandemic, inflation and the ongoing war in Ukraine, according to company filings with the State Corporation Commission Thursday. The electric utility, Virginia’s largest, is asking state regulators to approve an increase in its fuel factor, the rate levied on customers to cover the costs of purchasing fuel for power plants.” [Virginia Mercury, [05/10/22](#)]

July 2022: Dominion Filed With The Utah Public Service Commission “For Approval To Increase Customer Rates By Around \$57 Per Year” To Reflect The Higher Market Cost Of Gas After Having Filed For A General Rate Increase Of \$40 A Year In May. “Hofeling said the Ukraine war, challenges in getting pipeline permits and a growing demand for U.S. gas are all driving higher natural gas prices. ‘As a result, in June 2022,’ she said, ‘we filed with the [Public Service Commission] for approval to increase customer rates by around \$57 per year (for a typical residential customer) to reflect the higher market cost of gas.’ In May, Dominion also filed for a general rate increase that would add another \$40 a year to the typical bill. She said the jump reflects a \$700 million investment the company will make, including a new facility in Magna to store liquefied natural gas to improve reliability on the coldest days of winter.” [The Salt Lake Tribune, [07/25/22](#)]

- **Dominion Energy Provides Natural Gas To Around 90% Of The Utah Population.** “In Utah, there are two main players for residential energy: Dominion Energy provides natural gas to about 90% of the population, and Rocky Mountain Power supplies electricity to more than 80%. The remaining parts of Utah get their electricity from city-owned power companies and a few small rural cooperatives.” [The Salt Lake Tribune, [07/25/22](#)]

August 2022: Dominion Energy Requested A Hearing With The South Carolina Public Service Commission On Increasing Residential Rates By An Average Of 13.97%, Commercial Rates By 16.88%, And Industrial Rates By 26.70%. “Dominion Energy submitted a request to the S.C. Public Service Commission on Monday for a hearing on rate increases for residential (13.97% average expected increase), commercial (16.88%) and industrial customers (26.70%). The company asked for the rate increases to be implemented by the first November 2022 billing cycle in response to climbing fuel costs and under-collection of energy funds.” [WisTV, [08/12/22](#)]

In The First Six Months Of Its FY 2022, Dominion’s Operating Revenue Grew By \$967 Million Year-Over-Year To \$7.87 Billion:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Operating Revenue	\$ 3,596	\$ 3,038	\$ 7,875	\$ 6,908

[Dominion Energy, [08/08/22](#)]

In The First Six Months Of Its FY 2022, Dominion’s Net Income Decreased Year-Over-Year To \$258 Million:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Net Income (Loss) attributable to Dominion Energy	\$ (453)	\$ 285	\$ 258	\$ 1,293

[Dominion Energy, [08/08/22](#)]

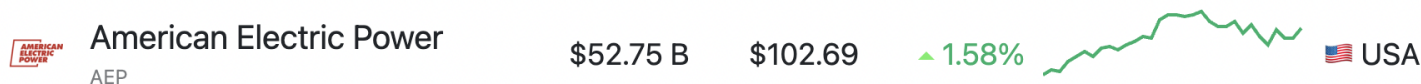
In The First Six Months Of FY 2022, Dominion Energy Spent \$1.096 Billion On Dividends, An Increase Of \$80 Million Year-Over-Year:

<u>Six Months Ended June 30,</u> (millions)	2022	2021
	[...]	
Common dividend payments	(1,096)	(1,016)

[Dominion Energy SEC Form 10-Q, [08/08/22](#)]

In The First Six Months Of FY 2022, American Electric Power Saw Its Net Income Jump By Nearly \$87 Million To Over \$1.2 Billion—Thanks To “Favorable Drivers” Including “Rate Changes Across Multiple Jurisdictions”—While Spending \$803 Million On Dividends.

As Of August 30, 2022, American Electric Power Was The Fifth Largest U.S. Electricity And Utility Company In The U.S. By Market Capitalization:



[CompaniesMarketCap.com, accessed [08/30/22](#)]

American Electric Power (AEP) Provides Electric Utilities To “More Than Five Million Retail Customers In Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia And West Virginia.” “AEP is one of the largest investor-owned electric public utility holding companies in the United States. AEP’s electric utility operating companies provide generation, transmission and distribution services to more than five million retail customers in Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia and West Virginia.” [American Electric Power, accessed [09/06/22](#)]

July 2022: During Its Q2 2022 Earnings Call, AEP’s Chief Financial Officer Julie Sloat Attributed Operating Earnings Increases To “Favorable Drivers” Including “Rate Changes Across Multiple Jurisdictions.” “Julie Sloat – Chief Financial Officer [...] Operating earnings for the second quarter totaled \$1.20 per share or \$618 million compared to \$1.18 million per share or \$590 million in 2021. Operating earnings for vertically integrated utilities were \$0.59 per share up \$0.14. Favorable drivers included rate changes across multiple jurisdictions, positive weather primarily in our western jurisdictions, increased transmission revenue and normalized retail load and income taxes.” [Seeking Alpha, [07/27/22](#)]

May 2022: AEP Spokesman Revealed That “As Long As Global Energy Supplies Remain Tight, We Expect Prices To Remain Higher Than In Recent Years.” “Natural gas and coal prices, two primary fuel sources for electricity generation, are at prices we have not seen in more than a decade and are beginning to impact electric prices across the nation,” AEP spokesman Scott Blake said. ‘As long as global energy supplies remain tight, we expect prices to remain higher than in recent years.’ [The Columbus Dispatch, [05/09/22](#)]

June 2022: AEP’s Subsidiaries Proposed Rate Increases Of Customer’s Monthly Bill By Nearly 12% To The West Virginia Public Service Commission. “American Electric Power subsidiaries have proposed a rate increase that would increase the monthly bill for a residential customer using 1,000 kilowatt-hours by \$18.41 starting Sept. 1. Appalachian Power and Wheeling Power asked the West Virginia Public Service Commission in a Tuesday filing to approve a \$297 million increase in the rate that the companies charge for buying power or fuel to generate electricity, known as an Expanded Net Energy Cost rate. If the commission approves the proposal, the monthly bill for a residential customer using 1,000 kilowatt-hours would rise nearly 12% from the current monthly bill of \$155.66.” [Herald-Dispatch, [06/21/22](#)]

In The First Six Months Of Its FY 2022, AEP’s Revenue Increased By Over \$1.1 Billion To \$9.23 Billion:

Six Months Ended June 30, 2022							
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated
(in millions)							
Revenues from:							
External Customers	\$ 5,241.8	\$ 2,539.0	\$ 162.5	\$ 1,263.9	\$ 25.1	\$ —	\$ 9,232.3
Other Operating Segments	94.1	9.4	627.7	15.0	19.3	(765.5)	—
Total Revenues	\$ 5,335.9	\$ 2,548.4	\$ 790.2	\$ 1,278.9	\$ 44.4	\$ (765.5)	\$ 9,232.3
Net Income (Loss)	\$ 602.5	\$ 317.6	\$ 316.4	\$ 181.9	\$ (179.5)	\$ —	\$ 1,238.9

Six Months Ended June 30, 2021							
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated
(in millions)							
Revenues from:							
External Customers	\$ 4,729.1	\$ 2,171.9	\$ 174.3	\$ 1,024.2	\$ 8.1	\$ —	\$ 8,107.6
Other Operating Segments	68.8	19.6	580.9	46.6	20.3	(736.2)	—
Total Revenues	\$ 4,797.9	\$ 2,191.5	\$ 755.2	\$ 1,070.8	\$ 28.4	\$ (736.2)	\$ 8,107.6
Net Income (Loss)	\$ 500.2	\$ 268.1	\$ 342.8	\$ 84.7	\$ (43.2)	\$ —	\$ 1,152.6

[American Electric Power SEC Form 10-Q, [07/27/22](#)]

In The First Six Months Of FY 2022, AEP Saw Its Net Income Jump By Nearly \$87 Million Year-Over-Year To Over \$1.2 Billion:

Six Months Ended June 30, 2022

	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated
(in millions)							
Revenues from:							
External Customers	\$ 5,241.8	\$ 2,539.0	\$ 162.5	\$ 1,263.9	\$ 25.1	\$ —	\$ 9,232.3
Other Operating Segments	94.1	9.4	627.7	15.0	19.3	(765.5)	—
Total Revenues	\$ 5,335.9	\$ 2,548.4	\$ 790.2	\$ 1,278.9	\$ 44.4	\$ (765.5)	\$ 9,232.3
Net Income (Loss)	\$ 602.5	\$ 317.6	\$ 316.4	\$ 181.9	\$ (179.5)	\$ —	\$ 1,238.9

Six Months Ended June 30, 2021

	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated
(in millions)							
Revenues from:							
External Customers	\$ 4,729.1	\$ 2,171.9	\$ 174.3	\$ 1,024.2	\$ 8.1	\$ —	\$ 8,107.6
Other Operating Segments	68.8	19.6	580.9	46.6	20.3	(736.2)	—
Total Revenues	\$ 4,797.9	\$ 2,191.5	\$ 755.2	\$ 1,070.8	\$ 28.4	\$ (736.2)	\$ 8,107.6
Net Income (Loss)	\$ 500.2	\$ 268.1	\$ 342.8	\$ 84.7	\$ (43.2)	\$ —	\$ 1,152.6

[American Electric Power SEC Form 10-Q, [07/27/22](#)]

In The First Six Months Of FY 2022, AEP Spent \$803 Million On Dividends, An Increase Of \$57 Million Year-Over-Year:

	Six Months Ended June 30,	
	2022	2021
(in millions)		
Issuance of Common Stock	\$ 812.7	\$ 256.9
Issuance/Retirement of Debt, Net	1,572.7	2,705.7
Dividends Paid on Common Stock	(803.5)	(746.5)
Other	(203.8)	(108.8)
Net Cash Flows from Financing Activities	\$ 1,378.1	\$ 2,107.3

[American Electric Power SEC Form 10-Q, [07/27/22](#)]

Healthcare

While Medical Care Commodities Prices Increased 3.7% From July 2021 to July 2022, The Biggest Drugmakers—including Johnson & Johnson, Eli Lilly, Pfizer, And AbbVie—Saw Profits Jump By Over \$6 Billion To \$36 Billion While They Boosted Shareholder Handouts By Over \$5.2 Billion To Over \$24.5 Billion In The First Half Of 2022.

From July 2021 To July 2022, Medical Care Commodities—One Of Two Major Components To The Medical Care Index Which Includes “Medicinal Drugs And Medical Equipment And Supplies”—Rose 3.7%, While Americans Spend The Most Out Of Any Country On Prescription Drugs And As Many As 18 Million Americans Can't Afford Their Prescribed Medications.

According To The Latest July 2022 Consumer Price Index Report, Medical Care Commodities Rose 3.7% Year-Over-Year. [U.S. Bureau of Labor Statistics, [08/10/22](#)]

Medical Care Commodities—One Of Two Major Categories Of The Medical Care Index—Includes “Medicinal Drugs And Medical Equipment And Supplies,” According To The Bureau Of Labor Statistics. “The medical care index is one of eight major groups in the Consumer Price Index (CPI) and is divided into two main components: medical care services and medical care commodities, each containing several item categories. [...] Medical care commodities, the other major component, includes medicinal drugs and medical equipment and supplies.” [Bureau of Labor Statistics, accessed [08/31/22](#)]

As Pharmaceutical Companies “Basically Set Their Own Prices,” Americans Spend Around \$1,200 A Year On Average On Prescription Drugs—The Most Out Of Any Other Country According To The Latest OECD Data. “In the US, we’re unique in letting drug companies basically set their own prices,’ Andrew Mulcahy, a senior policy researcher at the RAND Corporation who focuses on prescription drugs, told CNN Business. Americans spend around \$1,200 a year on average for prescription drugs — more than any other country — according to the latest available OECD data.” [CNN, [07/22/22](#)]

According To 46brooklyn Research, Drugmakers Have Steadily Raised The List Price Of Drugs By Around 5% A Year, With The High Drug Costs “Ultimately Passed On To Members Of The Public Through The Premiums They Pay To Keep Their Insurance Policies Active And The Taxes They Pay To The Government.” “While drugmakers aren’t hiking prices of existing products quite as aggressively as they did prior to 2019, they still continue to steadily raise list prices around 5% a year, according to 46brooklyn Research, a nonprofit drug pricing research firm. While private insurers and government programs pick up the biggest share of the bill, high drug costs are ultimately passed on to members of the public through the premiums they pay to keep their insurance policies active and the taxes they pay to the government.” [Bloomberg, [07/19/22](#)]




A 2021 Nationwide Poll Found “That As Many As 18 Million Americans Can’t Afford Their Prescribed Medications”—Almost 7% Of The Adult Population—With The Number Climbing To 19% In Households Making Less Than \$24,000 Per Year. “As many as 18 million Americans can’t afford their prescribed medications, a new nationwide poll finds. That’s 7% of the adult population in the United States. But when it comes to households making less than \$24,000 per year, the percentage jumps to 19%, the West Health/Gallup poll revealed.” [U.S. News & World Report, [09/22/21](#)]

- **While 10% Of Respondents Reported Skipping Doses As “A Way Of Saving Medicine And Money,” 18% Of Respondents In Households Making Less Than \$48,000 Annually Reported Skipping Medications.** “While 7% of respondents said they or a family member has gone without at

least one prescribed medication because of costs, 10% skipped doses in the past year as a way of saving medicine and money. Eighteen percent of respondents in households making less than \$48,000 annually said they or someone in their household had skipped a pill. In households making \$90,000 to \$180,000 year, 7% said they had skipped a pill in the past year." [U.S. News & World Report, [09/22/21](#)]

Johnson & Johnson—Which Has Pursued “Strategic Price Increases” And Expected Continued Benefit From Price Increases In “The Back Half Of The Year”—Increased Its Spending On Shareholder Handouts By \$789 Million In The First Six Months Of Its FY 2022 Despite A Decrease In Net Earnings.

As Of August 29, 2022, Johnson & Johnson Was The Largest U.S. Healthcare Chain By Market Capitalization:

1	 Johnson & Johnson JNJ	\$429.45 B	\$163.34	▼ 0.57%		 USA
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[Companies Market Cap, accessed [08/29/22](#)]

July 2022: During Johnson & Johnson’s Q2 2022 Earnings Call, Its Vice President Of Investor Relations Revealed That Operational Sales Growth And Worldwide Growth Had Been “Primarily Driven By Strategic Price Increases.” “Jessica Moore – Vice President, Investor Relations [...] Operational sales growth, which excludes the effect of translational currency, increased 2.3% as currency had a negative impact of 3.6 points. Excluding the impact of acquisitions and divestitures, worldwide growth was 2.9%. Results were primarily driven by strategic price increases growth in OTC outside the U.S. due to a strong cold, cough and flu season and digestive health category recovery.” [The Motley Fool, [07/19/22](#)]

July 2022: In Its Q2 2022 Earnings Call, Johnson & Johnson Chief Financial Officer Joe Wolk Said That In Preparation For “Increased Costs In Labor, Energy, And Transportation,” The Company “Pursue[d] Mitigation Efforts, Including Cost-Improvement Initiatives” And “Strategic Price Increases.” “Joe Wolk – Executive Vice President, Chief Financial Officer [...] As previously discussed, we did build in a healthy assumption to account for inflation in our January guidance, planning for increased costs in labor, energy, and transportation. We noted in April, and are doing so again today, that these pressures will continue to impact margins in the third and fourth quarters and into 2023. As such, we continue to pursue mitigation efforts, including cost-improvement initiatives, strategic price increases, and contract negotiations with external supply partners.” [The Motley Fool, [07/19/22](#)]

- **Wolk Added That He Expects To See “The Benefit Of Recent Strategic Price Increases In The Back Half Of The Year.”** “Joe Wolk – Executive Vice President, Chief Financial Officer [...] We also expect to see the benefit of recent strategic price increases in the back half of the year.” [The Motley Fool, [07/19/22](#)]

In The First Half Of FY 2022, Johnson & Johnson's Net Earnings Decreased To \$9.9 Billion:

(Unaudited; in Millions Except Per Share Figures)	SIX MONTHS				
	2022		2021		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 47,446	100.0	\$ 45,633	100.0	4.0
Cost of products sold	15,517	32.7	14,650	32.1	5.9
Gross Profit	31,929	67.3	30,983	67.9	3.1
Selling, marketing and administrative expenses	12,164	25.6	11,505	25.2	5.7
Research and development expense	7,165	15.1	6,572	14.4	9.0
In-process research and development	610	1.3	-	-	
Interest (income) expense, net	(38)	(0.1)	76	0.2	
Other (income) expense, net	171	0.4	(1,370)	(3.0)	
Restructuring	155	0.3	109	0.2	
Earnings before provision for taxes on income	11,702	24.7	14,091	30.9	(17.0)
Provision for taxes on income	1,739	3.7	1,616	3.6	7.6
Net earnings	\$ 9,963	21.0	\$ 12,475	27.3	(20.1)

[Johnson & Johnson, [07/19/22](#)]

Despite Its Loss In Net Earnings, In The First Half Of Its FY 2022, Johnson And Johnson Spent Over \$5.7 Billion On Dividends, Up \$308 Million Year-Over-Year:

	Fiscal Six Months Ended	
	July 3, 2022	July 4, 2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends to shareholders	(5,758)	(5,450)
Repurchase of common stock	(2,550)	(2,069)

[Johnson & Johnson SEC Form 10-Q, [07/29/22](#)]

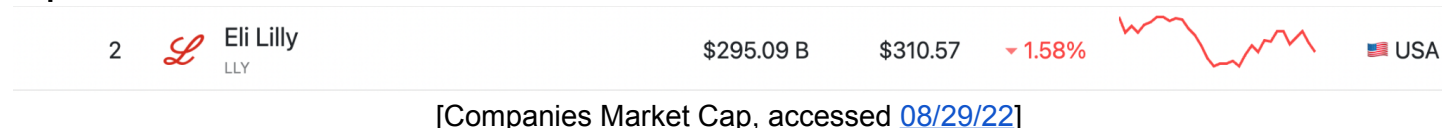
In The First Half Of Its FY 2022, Johnson And Johnson Also Increased Spending On Stock Buybacks By \$481 Million Year-Over-Year To \$2.5 Billion:

	Fiscal Six Months Ended	
	July 3, 2022	July 4, 2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends to shareholders	(5,758)	(5,450)
Repurchase of common stock	(2,550)	(2,069)

[Johnson & Johnson SEC Form 10-Q, [07/29/22](#)]

In The First Half Of FY 2022, As Eli Lilly Was Sued By The State Of Arkansas For “Artificially Driving Up Insulin Prices” And Its CEO Touted The Launch Of Its Expensive New Diabetes Drug Mounjaro, The Company’s Net Income Increased By Nearly \$110 Million Year-Over-Year As It Increased Shareholder Handouts By Over \$1.2 Billion.

As Of August 29, 2022, Eli Lilly Was The Second Largest U.S. Healthcare Chain By Market Capitalization:



August 2022: During Eli Lilly’s Q2 FY22 Earnings Call, CEO Dave Ricks Touted The Launch Of New Drug Mounjaro, Calling It The “Headline Story” Of The Second Quarter Given Its Strong Initial Uptake. “Dave Ricks -- Chairman and Chief Executive Officer [...] Thanks a lot, Kevin. In Q2, we achieved a number of impactful pipeline milestones, including approval and launch of Mounjaro in the U.S., the FDA submission and acceptance of donanemab as well as pirtobrutinib and positive top line results for lebrikizumab and EU and Japan submissions for mirikizumab. This pipeline progress underscores the breadth and depth of our exciting long-term outlook. Perhaps the headline story for Lilly in the second quarter was the launch of Mounjaro in the U.S., where initial uptake has been strong.” [Seeking Alpha, [08/04/22](#)]

- **Eli Lilly’s Recently Approved Diabetes Drug Mounjaro Has A List Price Of \$974.** “With a list price of about \$974 for four weeks of treatment, Eli Lilly’s (NYSE:LLY) recently approved diabetes drug Mounjaro (tirzepatide) is priced below Novo Nordisk’s Wegovy (semaglutide), priced at \$1349.” [Seeking Alpha, [05/20/22](#)]

May 2022: The Arkansas Attorney General Accused Eli Lilly And Other Pharmaceutical Companies For “Artificially Driving Up Insulin Prices” And Paying “Earnings Back To The [Pharmacy Benefits Managers] As Rebates.” “Arkansas has accused Eli Lilly And Co, Novo Nordisk A/S, Sanofi SA, and three of the largest pharmacy benefit managers (PBMs) of artificially driving up insulin prices. [...] The complaint, filed by Arkansas Attorney General Leslie Rutledge, alleges the defendants devised a scheme in which the Big Pharmas would ‘artificially and willingly raise their list prices’ and then pay a part of those earnings back to the PBMs as rebates.” [Yahoo News, [05/13/22](#)]

- **The Lawsuit Argued That For The Past 15 Years, Eli Lilly And The Other Companies Raised The Prices Of Diabetes Drugs “Even Though The Cost To Produce These Drugs Has Decreased During The Same Time.”** “According to the Arkansas lawsuit, for the last 15 years, the pharma companies ‘have in lockstep raised the prices of their respective diabetes drugs in an astounding manner, even though the cost to produce these drugs has decreased during that same time.” [Yahoo News, [05/13/22](#)]

In The First Six Months Of Its FY 2022, Eli Lilly Saw Its Net Income Increase By 4%, Or \$109.9 Million, Year-Over-Year To Over \$2.8 Billion:

Three Months Ended			Six Months Ended		
June 30,			June 30,		
2022	2021	% Chg.	2022	2021	% Chg.

Net income	\$	<u>952.5</u>	\$	<u>1,390.2</u>	(31)%	\$	<u>2,855.4</u>	\$	<u>2,745.5</u>	4%
										[Eli Lilly and Company, 08/04/22]

In The First Six Months Of Its FY 2022, Eli Lilly's Revenue Increased 6% Year-Over-Year To Nearly \$14.3 Billion:

	Three Months Ended			Six Months Ended			
	June 30,			June 30,			
	2022	2021	% Chg.	2022	2021	% Chg.	
Revenue	\$ 6,488.0	\$ 6,740.1	(4)%	\$ 14,298.0	\$ 13,545.7	6%	
							[Eli Lilly and Company, 08/04/22]

In The First Half Of FY 2022, Eli Lilly Increased Spending On Dividends By \$226 Million Year-Over-Year To \$1.7 Billion:

	Six Months Ended June 30,	
	2022	2021
Cash Flows from Financing Activities		
Dividends paid	(1,769.2)	(1,543.1)
Net change in short-term borrowings	2,117.2	196.3
Repayments of long-term debt	(1,560.0)	—
Purchases of common stock	(1,500.0)	(500.0)

[Eli Lilly and Company SEC Form 10-Q, [08/04/22](#)]

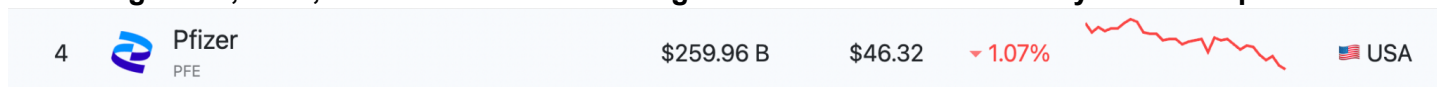
In The First Half Of FY 2022, Eli Lilly Increased Spending On Stock Buybacks By \$1 Billion YoY To \$1.5 Billion:

	Six Months Ended June 30,	
	2022	2021
Cash Flows from Financing Activities		
Dividends paid	(1,769.2)	(1,543.1)
Net change in short-term borrowings	2,117.2	196.3
Repayments of long-term debt	(1,560.0)	—
Purchases of common stock	(1,500.0)	(500.0)

[Eli Lilly and Company SEC Form 10-Q, [08/04/22](#)]

In The First Half Of FY 2022, As Pfizer’s CEO Touted The Company’s “Strong Operational Revenue And Earnings Growth,” Its Net Income Climbed By 70% Year-Over-Year To Over \$17.7 Billion As The Pharmaceutical Giant Raked In Over \$53 Billion In Revenue And Spent Over \$6.4 Billion On Shareholder Handouts—An Over \$2 Billion Increase From 2021.

As Of August 29, 2022, Pfizer Was The Third Largest U.S. Healthcare Chain By Market Capitalization:



[Companies Market Cap, accessed [08/29/22](#)]

July 2022: In Its Q2 2022 Earnings Press Release, Pfizer CFO David Denton Said He Was “Very Pleased” With “Strong Operational Revenue And Earnings Growth” Which Saw The Company See An “All-Time High In Quarterly Sales.” “David Denton, Chief Financial Officer and Executive Vice President, stated: ‘I am very pleased with the performance of our business this quarter, with strong operational revenue and earnings growth driven by multiple therapeutic areas across the company, and our COVID-19 franchises continuing to serve patients in need while also propelling us to an all-time high in quarterly sales.’ [Pfizer, [07/28/22](#)]

In The First Six Months Of Its FY 2022, Pfizer Saw Net Income Climb By Over \$7 Billion—An Increase Of 70% Year-Over-Year—To \$17.7 Billion:

	Second-Quarter		% Incr. / (Decr.)	Six Months		% Incr. / (Decr.)
	2022	2021		2022	2021	
Net income attributable to Pfizer Inc. common shareholders	<u>\$ 9,906</u>	<u>\$ 5,563</u>	78	<u>\$ 17,769</u>	<u>\$ 10,440</u>	70

[Pfizer, [07/28/22](#)]

Pfizer’s Revenues Also Climbed By 60% YoY To Over \$53.4 Billion:

	Second-Quarter		% Incr. / (Decr.)	Six Months		% Incr. / (Decr.)
	2022	2021		2022	2021	
Revenues	\$27,742	\$18,899	47	\$53,402	\$33,415	60

[Pfizer, [07/28/22](#)]

In The First Half Of Its FY 2022, Pfizer Spent Nearly \$4.5 Billion On Dividends, Up \$138 Million Year-Over-Year:

(MILLIONS)	Six Months Ended	
	July 3, 2022	July 4, 2021
Purchases of common stock	(2,000)	—
Cash dividends paid	(4,493)	(4,355)

[Pfizer Inc. SEC Form 10-Q, [08/10/22](#)]

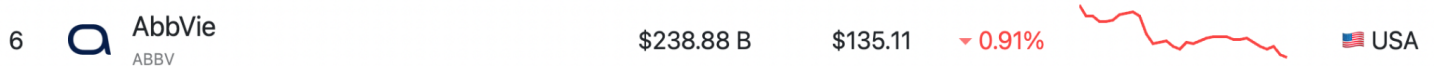
In The First Half Of Its FY 2022, Pfizer Spent \$2 Billion On Stock Buybacks After Spending None The Year Before:

(MILLIONS)	Six Months Ended	
	July 3, 2022	July 4, 2021
Purchases of common stock	(2,000)	—
Cash dividends paid	(4,493)	(4,355)

[Pfizer Inc. SEC Form 10-Q, [08/10/22](#)]

AbbVie's Chairman And Chief Executive Officer Touted “Another Strong Quarter,” Driven By Drugs Skyrizi And Rinvoq—Which Have A List Price Of \$18,272 And \$64,300, Respectively—While Seeing Its Net Income Jump By Over \$1 Billion To \$5.4 Billion And Spending \$1.47 Billion On Stock Buybacks And \$3 Billion On Dividends In The First Six Months Of Its FY 2022.

As Of August 29, 2022, AbbVie Was The Fourth Largest U.S. Healthcare Chain By Market Capitalization:



[Companies Market Cap, accessed [08/29/22](#)]

July 2022: In Its Q2 2022 Press Release, AbbVie's Chairman And Chief Executive Officer Richard A. Gonzalez Touted “Another Strong Quarter” Driven By Expensive Drugs Skyrizi And Rinvoq, Which Were On “Pace To Deliver Approximately \$7.5 Billion In Combined Annual Sales, Underscoring Their Significant Potential.” “We delivered another strong quarter with substantial progress for our new products and indications. Importantly, Skyrizi and Rinvoq continued their impressive ramps and are on pace to deliver approximately \$7.5 billion in combined annual sales, underscoring their significant potential,” said Richard A. Gonzalez, chairman and chief executive officer, AbbVie. “The momentum of our business, combined with advances across our pipeline continue to support AbbVie's promising long-term outlook.” [AbbVie, [07/29/22](#)]

- **As Of January 2022, The List Price For One Dose Of Skyrizi Was \$18,272.79.** “The list price, also known as the Wholesale Acquisition Cost (WAC), for one dose of SKYRIZI, is \$18,272.79 as of January, 2022. The WAC may not reflect the price paid by patients.” [Skyrizi, accessed [08/29/22](#)]
- **The Institute For Clinical And Economic Review Flagged Rinvoq’s List Price Of \$64,300 As “Too Expensive,” Needing “A Hefty 44% To 77% Discount To Be Cost-Effective At Various Thresholds.”** “The Institute for Clinical and Economic Review (ICER) on Friday unveiled its draft evidence report on JAK inhibitors and monoclonal antibodies used to treat atopic dermatitis, otherwise known as eczema. Rinvoq isn't yet approved in atopic dermatitis, but ICER flagged its \$64,300 list price as too expensive to justify considering its benefits in the indication. At an annual wholesale acquisition cost (WAC) of \$64,300, Rinvoq would need a hefty 44% to 77% discount to be cost-effective at various thresholds, ICER found. The drug’s net price per year is slightly lower at \$63,400.” [Fierce Pharma, [05/14/21](#)]

In The First Six Months Of Its FY 2022, AbbVie’s Net Earnings Jumped By Over \$1 Billion To \$5.4 Billion:

(in millions, except per share data)	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net earnings attributable to AbbVie Inc.	\$ 924	\$ 766	\$ 5,414	\$ 4,319

[AbbVie, [07/29/22](#)]

In The First Six Months Of Its FY 2022, AbbVie Saw Its Revenue Climb To \$28.1 Billion:

	Second Quarter Ended June 30		Six Months Ended June 30	
	2022	2021	2022	2021
Net revenues	\$ 14,583	\$ 13,959	\$ 28,121	\$ 26,969

[AbbVie, [07/29/22](#)]

In The First Six Months Of Its FY 2022, AbbVie Increased Spending On Dividends Year-Over-Year By \$401 Million To Over \$5 Billion:

(in millions) (brackets denote cash outflows)	Six months ended June 30,	
	2022	2021
Dividends paid	(5,033)	(4,632)
Purchases of treasury stock	(1,479)	(797)

[AbbVie SEC Form 10-Q, [08/04/22](#)]

In The First Six Months Of Its FY 2022, AbbVie Spent \$1.47 Billion On Repurchasing Stock, An Increase Of \$682 Million Year-Over-Year:

(in millions) (brackets denote cash outflows)	Six months ended June 30,	
	2022	2021
Dividends paid	(5,033)	(4,632)
Purchases of treasury stock	(1,479)	(797)

[AbbVie SEC Form 10-Q, [08/04/22](#)]

While Medical Care Services Prices Climbed 5.1% From July 2021 to July 2022, In The First Six Months Of FY 2022, The Four Biggest Healthcare Companies—UnitedHealth, CVS, Elevance, And HCA—Benefited From Increased Consumer Costs As They Saw Profits Of \$21 Billion While Boosting Shareholder Handouts By Over \$5.9 Billion In The First Half Of 2022.

From July 2021 To July 2022, Medical Care Prices—Which Include Medical Care Services Such As Hospitals And Health Insurance—Increased 5.1%, With Many Of These Increases “Burden[ing] Healthcare Consumers” And Pushing Over 100 Million People “Into Debt On A Mass Scale.”

Prices For Medical Care Increased By 5.1% From July 2021 To July 2022. [U.S. Bureau of Labor Statistics, [08/10/22](#)]

One Of The Two Divisions In The Bureau Of Labor Statistics' Medical Care Index Is Medical Care Services, Which Includes "Professional Services, Hospital And Related Services, And Health Insurance." "The medical care index is one of eight major groups in the Consumer Price Index (CPI) and is divided into two main components: medical care services and medical care commodities, each containing several item categories. Medical care services, the larger component in terms of weight in the CPI, is organized into three categories: professional services, hospital and related services, and health insurance. Medical care commodities, the other major component, includes medicinal drugs and medical equipment and supplies." [U.S. Bureau of Labor Statistics, accessed [08/31/22](#)]

May 2022: In An Op-Ed, Patient Advocate Cynthia Fischer Argued That Hospital Price Increases “Burden Healthcare Consumers,” Including Patients, Employers, And Unions. “Hospital prices are already outrageous, regularly throwing patients into bankruptcy and financial ruin. Significantly increasing hospitals’ prices and negotiated rates will further burden healthcare consumers — including patients, employers, and unions — contending with broader economic instability. Higher hospital prices also punish workers who experience higher healthcare premiums. They suppress and even lower real wages as employers are forced to pass along these increased coverage costs.” [The Hill, [05/14/22](#)]



- **Cynthia Fischer Founded PatientRightsAdvocate.org, An Organization Advocating To “Reduce The Cost Of Healthcare.”** “Cynthia A. Fisher is a life sciences entrepreneur, independent investor, and corporate board director. Cynthia founded PatientRightsAdvocate.org, an advocacy organization for the American public and employers seeking to greatly reduce the cost of healthcare and coverage through systemwide price transparency and creation of a functional, competitive marketplace in healthcare.” [HealthIT, accessed [09/06/22](#)]

Fischer Continued, While Hospitals Justified Higher Prices “By Pointing To Higher Salaries For Nurses,” Leaked Hospital Pricing Data Revealed That Some Hospitals Applied A “675 Percent Markup To Their Expenses.” “Hospitals are justifying their higher prices by pointing to higher salaries for nurses. But this math doesn’t add up. Hospitals charge on average seven times their cost of care. Leaked hospital pricing data published in the Los Angeles Times revealed that area hospitals automatically applied a 675 percent markup to their expenses.” [The Hill, [05/14/22](#)]

A Kaiser Health News and NPR Investigation Found That Over 100 Million People In America Are “Pushed Into Debt On A Mass Scale” By The Healthcare System, Revealing That This Issue “Is Far More Pervasive Than Previously Reported.” “The three are among more than 100 million people in America — including 41% of adults — beset by a health care system that is systematically pushing patients into debt on a mass scale, an investigation by KHN and NPR shows. The investigation reveals a problem that, despite new attention from the White House and Congress, is far more pervasive than previously reported. That is because much of the debt that patients accrue is hidden as credit card balances, loans from family, or payment plans to hospitals and other medical providers.” [NPR, [06/16/22](#)]

In The First Two Quarters Of Its FY 2022, UnitedHealth Group—The Largest Healthcare Company By Market Capitalization—Touted Its Pricing Strategies As It Saw Its Net Earnings Jump By Nearly \$1 Billion To Over \$10.3 Billion And Increased Spending On Shareholder Handouts By \$2.46 Billion To Nearly \$8 Billion.

As Of August 25, 2022, UnitedHealth Was The Largest Healthcare Company, With A Market Capitalization Of \$499.46 Billion:

Rank	Name	Market Cap	Price	Today	Price (30 days)	Country
1	 UnitedHealth UNH	\$499.46 B	\$533.97	▼ 0.46%		USA

[Companies Market Cap, accessed [08/25/22](#)]

April 2022: During Its Q1 2022 Earnings Call, UnitedHealth’s Chief Executive Officer Brian Thompson Admitted Being “Pleased With Where We’re At,” Including “Pricing To Our Forward View Of Costs” And “Inflation.” “Brian Thompson -- Chief Executive Officer, UnitedHealthcare [...] As you might expect, there are good disciplines in management inside UnitedHealthcare that I'm pleased with where we're at, pricing to our forward view of costs being one. Including inflation.” [The Motley Fool, [04/18/22](#)]

In The First Six Months Of Its FY 2022, UnitedHealth Saw Its Net Earnings Increase By \$997 Million To Over \$10.3 Billion:

	Six Months Ended June 30,	
	2022	2021
Operating Activities		
Net earnings	\$10,347	\$9,350

[UnitedHealth Group, [07/15/22](#)]

In The First Six Months Of Its FY 2022, UnitedHealth Increased Spending On Stock Repurchases By \$2.1 Billion From The Previous Year To \$5 Billion:

	Six Months Ended June 30,	
	2022	2021
[...]		
Common share repurchases	(5,000)	(2,900)

[UnitedHealth Group, [07/15/22](#)]

In The First Six Months Of FY 2022, UnitedHealth Spent \$2.9 Billion On Dividends, A \$360 Million Increase From The Previous Year.

	Six Months Ended June 30,	
	2022	2021
[...]		
Dividends paid	(2,908)	(2,548)

[UnitedHealth Group, [07/15/22](#)]

In The First Half Of FY 2022, CVS Health—The Second Biggest Healthcare Company In The U.S. Whose Chief Customer Officer Admitted That “We’re Able To Pass Inflation Through To Our Customers”—Saw Its Net Earnings Jump By \$259 Million To \$5.27 Billion And Increased Shareholder Handouts By Over \$2.1 Billion.

As Of August 25, 2022, CVS Health Was The Second Largest Healthcare Company, With A Market Capitalization Of \$133.79 Billion:



[Companies Market Cap, accessed [08/25/22](#)]

August 2022: During CVS’s Q2 2022 Earnings Call, Chief Customer Officer Michelle Peluso Admitted That “We’re Able To Pass Inflation Through To Our Customers,” Touting That “It’s A Great Time For Our Store Brands.” “Michelle Peluso -- Chief Customer Officer [...] So for the most part, we're able to pass inflation through to our customers. Having said that, we're super mindful to the environment where we want to make sure there's value on the shelf at all times for our customers. And we think about that in -- of course, we think about that in terms of how we price. But it's a great time for our store brands.” [The Motley Fool, [08/03/22](#)]

In The First Six Months Of Its FY 2022, CVS Saw Its Net Earnings Jump By \$259 Million To \$5.27 Billion, Compared To Just Over \$5 Billion The Previous Year:

<i>In millions</i>	Six Months Ended June 30,	
	2022	2021
Reconciliation of net income to net cash provided by operating activities:		
Net income	\$ 5,274	\$ 5,015

[CVS, [08/03/22](#)]

In The First Six Months Of FY 2022, CVS Spent \$2 Billion On Stock Buybacks After Having None In 2021:

	Six Months Ended June 30,	
	2022	2021
[...]		
Repurchase of common stock	(2,000)	—

[CVS, [08/03/22](#)]

In The First Six Months Of FY 2022, CVS Increased Spending On Dividends By \$156 Million From The Previous Year, Totalling \$1.46 Billion.

	Six Months Ended June 30,	
	2022	2021
[...]		
Dividends paid	(1,462)	(1,306)

[CVS, [08/03/22](#)]

For The First Half Of Its FY 2022, Elevance—Whose CEO Touted “Higher Premium Revenue” Driven By “Premium Rate Increases”—Spent Over \$1.78 Billion On Shareholder Handouts Despite A Slight Decrease In Net Income.

As Of August 2022, Elevance Was The Third Largest Healthcare Company, With A Market Capitalization Of \$117.92 Billion:



[Companies Market Cap, accessed [08/25/22](#)]

- June 2022: Anthem Insurance Changed Its Name To Elevance Health After Shareholders Approved The Name Change.** “Anthem's shareholders have signed off on the insurer's corporate rebrand as Elevance Health. With the shareholder approval, Anthem will commemorate the name change on June 28 by ringing the opening bell at the New York Stock Exchange before trading under the new ticker ELV, the company said in an announcement.” [Fierce Healthcare, [05/18/22](#)]

July 2022: During Its Q2 2022 Earnings Call, Elevance CEO John Gallina Touted “Higher Premium Revenue” Driven, In Part, By “Premium Rate Increases To Cover Overall Cost Trends.” “John Gallina – Executive Vice President and Chief Financial Officer [...] We earned higher premium revenue driven by membership growth in Medicaid, Medicare, and commercial; premium rate increases to cover overall cost trends; the acquisitions of Paramount and Integra; and the timing of the MMM acquisition, which closed at the end of the second quarter in the prior year.” [The Motley Fool, [07/21/22](#)]

On The Same Earnings Call, Elevance’s CEO Admitted “We’re Always Pricing To Our Forward View Of Costs.” “Gail Bourdeaux – President and Chief Executive Officer [...] We're always pricing to our forward view of costs. If you look at this year, COVID hit at a time high in January and February. So as we look to forward pricing, we're looking around all of our costs and now, I think, have a much better perspective on projection of what those costs should be. And so you'll see ratable [sic] improvement over the course.” [The Motley Fool, [07/21/22](#)]

In The First Six Months Of Its FY 2022, Elevance Saw Its Revenue Increase 15.8% Year-Over-Year From \$66.2 Billion To \$76.7 Billion:

(In millions, except per share data)

	Six Months Ended June 30		Change
	2022	2021	
Total revenues	76,727	66,236	15.8 %

[Elevance Health, [07/20/22](#)]

In The First Six Months Of Its FY 2022, Elevance’ Reported Just Under \$3.5 Billion In Net Income:

(In millions)

	Six Months Ended June 30	
	2022	2021
Operating activities		
Net income	\$3,445	\$3,468

[Elevance Health, [07/20/22](#)]

In The First Six Months Of Its FY 2022, Elevance Spent \$1.1 Billion On Stock Repurchases, An Increase Of \$242 Million Year-Over-Year:

	Six Months Ended June 30	
	2022	2021
[...]		
Repurchase and retirement of common stock	(1,169)	(927)

[Elevance Health, [07/20/22](#)]

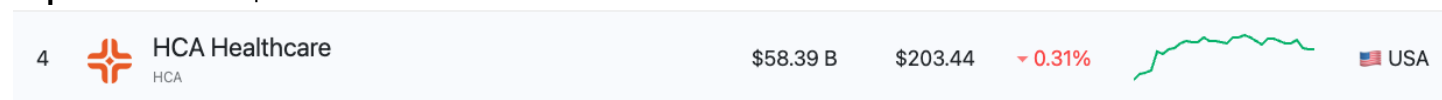
In The First Six Months Of Its FY 2022, Elevance Spent \$618 Million On Dividends, A \$63 Million Jump From The Previous Year:

	Six Months Ended June 30	
	2022	2021
[...]		
Cash dividends	(618)	(555)

[Elevance Health, [07/20/22](#)]

In The First Six Months Of Its FY 2022, HCA Healthcare—Whose CEO Touted Protection From Inflation Through Existing Contracts Allowing “Us To Reposition Some Of Our Pricing”—Saw Its Revenue Climb Over \$1 Billion Year-Over-Year To \$29.7 Billion And Rewarded Shareholders By Spending \$5.12 Billion On Stock Buybacks and Dividends, A \$981 Million Increase Over 2021

As Of August 25, 2022, HCA Healthcare Was The Fourth Largest Healthcare Company, With A Market Capitalization Of \$53.39 Billion:



[Companies Market Cap, accessed [08/25/22](#)]

July 2022: During Its Q2 2022 Earnings Call, HCA Healthcare CEO Sam Hazen Touted That Contracts Have Given The Company “Some Protection In The Short Run” In The Face Of Inflation, And That This Protection “Allows Us To Reposition Some Of Our Pricing As We Move Through The Next Few Years.”

“Sam Hazen — Chief Executive Officer [...] Obviously, we are seeing inflation, as we mentioned, inside of our labor cost. Again, I'll just give you an overview of how we think we're managing our way through that. And Bill can speak to some of the specific on the supply side. Fortunately, in many areas, we have contracts that have terms to them today. So it gives us some protection in the short run. We think that protection allows us to reposition some of our pricing as we move through the next few years to reflect more accurately, the inflationary pressures that we're seeing and others are seeing in the provider system.” [The Motley Fool, [07/22/22](#)]

Also During Its Q2 2022 Earnings Call, HCA Healthcare CFO Bill Rutherford Revealed That The Company Was Having Discussions With Payers Regarding Commercial Pricing, Admitting That “We’ve Had Some Early Success” And “We’ll Continue To Progress Those Discussions As We Go Forward.”

“Bill Rutherford -- Chief Financial Officer [...] Relative to commercial pricing, as you said, you -- and as we mentioned before, we are having those discussions with the payers. We've had some early success. There's a recognition of the inflationary pressures that providers are seeing. So we'll continue to progress those discussions as we go forward.” [The Motley Fool, [07/22/22](#)]

In The First Six Months Of Its FY 2022, HCA Healthcare Saw Its Revenue Climb To \$29.7 Billion, An Increase Of Over \$1 Billion From The Previous Year:

	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
[...]				
Revenues	\$29,765	100.0 %	\$28,412	100.0 %

[HCA Healthcare, [07/22/22](#)]

Despite Increases In Revenues, In The First Six Months Of FY 2022, HCA's Net Income Slightly Decreased From The Previous Year, Coming Out To Just Over \$2.42 Billion:

	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
[...]				
Net income attributable to HCA Healthcare, Inc.	\$2,428	8.2	\$2,873	10.1

[HCA Healthcare, [07/22/22](#)]

In The First Six Months Of Its FY 2022, HCA Has Spent \$337 Million On Dividends, Up \$12 Million From The Previous Year:

	<u>2022</u>	<u>2021</u>
[...]		
Payment of dividends	(337)	(325)

[HCA Healthcare, [07/22/22](#)]

In The First Six Months Of Its FY 2022, HCA Has Spent \$4.78 Billion On Stock Repurchases, A \$969 Million Increase From The Previous Year:

	<u>2022</u>	<u>2021</u>
[...]		
Repurchase of common stock	(4,783)	(3,814)

[HCA Healthcare, [07/22/22](#)]

Shelter

While Shelter Prices Increased 5.7%, The Biggest Apartment Companies—including Mid-America Apartment Communities, Starwood Property Trust, And AvalonBay—Touted Rent Hikes As They Saw Profits Climb By \$284 Million While Rewarding Shareholders With \$997 Million In Handouts During The First Six Months Of 2022.

From July 2021 To July 2022, Shelter Prices—Which Include Rental Residences—Increased 5.7%, While Rents Hit A “Record High” Putting Consumers “Stuck Between A Rock And A Hard Place When It Comes To Affordability.”

Prices For Shelter Increased 5.7% From July 2021 To July 2022, Accounting For 40% Of Total Price Increases Within The CPI Excluding Food And Energy. “The shelter index rose 5.7 percent over the last year, accounting for about 40 percent of the total increase in all items less food and energy.” [U.S. Bureau of Labor Statistics, [08/10/22](#)]

The Bureau Of Labor Statistics Defines Shelter As “The Service That Housing Units Provide Their Occupants” And Is Comprised Of Two Indexes: “Owners’ Equivalent Rent Of Primary Residence (OER) And Rent Of Primary Residence (Rent).” “The index for shelter, the service that a housing unit provides its occupants, is one of the largest parts of the CPI market basket—the goods and services that American households consume. Owners’ equivalent rent of residences (OER) and rent of primary residence (rent) measure the majority of the change in the shelter cost consumers experience. All three of these series are published each month in each area for which CPI data are published.” [U.S. Bureau of Labor Statistics, accessed [09/08/22](#)]

July 2022: Rents Hit A “Record High” For The 17th Month In A Row, With The National Median Rent Climbing 12.3% Year-Over-Year To \$1,879 A Month. Rents hit a record high in July for the 17th month in a row, putting ever more pressure on renters. The national median rent hit a new record high of \$1,879 a month in July, up 12.3% from a year ago, according to Realtor.com.” [CNN, [08/24/22](#)]

Renters “Are Stuck Between A Rock And A Hard Place When It Comes To Affordability,” Having To Choose Between Finding A Rental They Can Afford Or Absorbing A Rent Increase, Which Averaged To \$300 A Month More. “Many renters have been scrambling to find a rental they can afford or opting to absorb a rent increase on their current place. But moving into a new apartment has been costlier for renters, according to a survey from Avail included in the Realtor.com report. Renters have experienced bigger price hikes on new leases -- an increase of about \$300 a month over their prior rent, on average -- compared to renewals, which averaged about a \$160 a month jump. ‘Whether in a downtown area or suburb, staying put or making a change, renters are stuck between a rock and a hard place when it comes to affordability,’ said Danielle Hale, Realtor.com’s chief economist.” [CNN, [08/24/22](#)]

During The First Six Months Of FY 2022, Mid-America Apartments—The Biggest Publicly Traded Apartment Owner In 2021—Touted “Strong Pricing Performance” And Called Rent Growth Its “Primary Revenue Driver”—As It Reported That Its Net Income Climbed By Over \$57 Million To Over \$330 Million And Boosted Its Shareholder Dividends And Distributions By \$15 Million To Over \$257 Million.

Mid-America Apartment Communities Inc. (MAA) Was The Biggest Publicly-Traded Apartment Owner In 2021, With 100,490 Units Owned:

▶ 1	1	MAA	100,490	100,031	H. Eric Bolton, Jr.	Germantown TN
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National Multifamily Housing Council, accessed [03/01/22](#)]

- **Mid-America Apartment Communities Inc. (MAA) Had Ownership Interests In Over 101,000 Apartment Units In 16 States And The District Of Columbia At The End Of 2021.** "As of December 31, 2021, MAA had ownership interest in 101,607 apartment units, including communities currently in development, across 16 states and the District of Columbia." [Mid-America Apartment Communities, [02/02/22](#)]

August 2022: During Its Q2 2022 Earnings Call, MAA's Chief Operations Officer Tom Grimes Touted "Strong Pricing Performance Across The Portfolio," Admitting That "Average Effective Rent Growth Is Our Primary Revenue Driver." "Tom Grimes – Executive VP, COO [...] Same-store performance for the quarter was once again robust, and our busy summer season is going well. We saw strong pricing performance across the portfolio during the second quarter blended lease-over-lease pricing achieved during the quarter was up 17.2%. As a result, all in-place rents or effective rent growth increased by 14.3% on a year-over-year basis and 4% from the prior quarter. Average effective rent growth is our primary revenue driver and with the current blended pricing momentum, we expect it to continue to strengthen." [Seeking Alpha, [07/28/22](#)]

MAA Reported A 13.3% Increase In Average Effective Rent Per Unit In The First Half Of 2022, Compared To The Previous Year:

Six months ended June 30, 2022 vs. 2021

Revenues	Expenses	NOI	Average Effective Rent
			per Unit
12.9 %	6.2 %	17.0 %	13.3 %

[Mid-America Apartments, [07/27/22](#)]

In The First Six Months Of Its FY 2022, MAA Saw Its Net Income Jump To \$330.1 Million, Up From \$272.7 Million The Previous Year:

Amounts in thousands, except per share and unit data

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net income	216,560	223,875	330,137	272,739

[Mid-America Apartments, [07/27/22](#)]

In The First Six Months Of Its FY 2022, MAA Doled Out \$257.9 Million In Dividends, Up From \$242.8 Million The Year Before:

Amounts in thousands, except per share and unit data

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021

[...]

Dividends and distributions paid

\$ 129,009 \$ 121,492 \$ 257,925 \$ 242,893

[Mid-America Apartments, [07/27/22](#)]

Starwood Properties—The Second Largest Publicly-Traded Apartment Operator In 2021—Saw Its Net Income Skyrocket By Over \$417 Million To \$666 Million During The First Six Months Of FY 2022, As Its CEO Boasted That “Apartment Rent Continues To Rise” And The Company Spent Over \$294.2 Million On Shareholder Dividends.

Starwood Capital Group, A Private Equity Firm That Operates Through Publicly-Traded Starwood Property Trust, Was The Second-Biggest Publicly-Traded Apartment Owner In 2021. [National Multifamily Housing Council, accessed [03/01/22](#)]

3	4	Starwood Capital Group	89,349	75,409	Barry S. Sternlicht	Miami	FL
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[National Multifamily Housing Council, accessed [03/01/22](#)]

- **Starwood Property Trust Is A Publicly-Traded Holding Company Managed By Private Equity Firm Starwood Capital Group.** "We are organized as a holding company and conduct our business primarily through our various wholly-owned subsidiaries. We are externally managed and advised by SPT Management, LLC (our 'Manager') pursuant to the terms of a management agreement. Our Manager is controlled by Barry Sternlicht, our Chairman and Chief Executive Officer. Our Manager is an affiliate of Starwood Capital Group Global, L.P. ('Starwood Capital Group'), a privately-held private equity firm founded by Mr. Sternlicht." [Starwood Property Trust, Inc. SEC Form 10-K, [02/25/22](#)]
- **Starwood Property Trust Has "A Core Focus On The Real Estate And Infrastructure Sectors."** "Starwood Property Trust (NYSE: STWD) is a leading diversified finance company with a core focus on the real estate and infrastructure sectors." [Starwood Property Trust, [02/25/22](#)]
- **Parent Starwood Capital Group Claims To Control 220,000 Multifamily Units.** [Starwood Property Trust, accessed [03/01/22](#)]

Morgan Properties, The Second-Largest Apartment Owner, Is Privately-Owned. [National Multifamily Housing Council, accessed [03/01/22](#)]

- **Morgan Properties Is Privately Owned.** "Morgan Properties, the nation's largest private multifamily owner, announced today it has acquired, in partnership with Olayan America, a portfolio of 48 apartment communities and 14,414 units in 11 states for \$1.75 billion." [Associated Press, [02/24/21](#)]

August 2022: During Its Q2 2022 Earnings Call, Starwood CFO Rina Paniry Said The Company's Net Operating Income (NOI) Increased Based On 9.7% Rent Hikes That Went Into Effect In June. "Rina Paniry -- Chief Financial Officer [...] In-place NOI increased this quarter due to the impact of HUD's recently released maximum rent levels, which were 9.7% higher than last year. The majority of these new rents were implemented in June so you will see just a partial impact to earnings this quarter." [The Motley Fool, [08/05/22](#)]

- **According To Investopedia, NOI “Is A Valuation Method Used By Real Estate Professionals To Determine The Precise Value Of Their Income-Producing Properties”** “Net operating income is a valuation method used by real estate professionals to determine the precise value of their income-producing properties. To calculate NOI, the property's operating expenses must be subtracted from the income a property produces. In addition to rental income, a property might also generate revenue from amenities such as parking structures, vending machines, and laundry facilities.” [Investopedia, accessed [08/31/22](#)]

Starwood CEO Barry Sternlicht Said “The Fundamentals Of Real Estate Remain Excellent” As “Apartment Rents Continue To Rise.” “Barry Sternlicht -- Chairman and Chief Executive Officer [...] So getting back to real estate and the fundamentals of real estate remain excellent. Apartment rents continue to rise.” [The Motley Fool, [08/05/22](#)]

- **In February 2022, Sternlicht Called Inflation “An Extraordinary Gift That Keeps On Giving A Tune Of Maybe \$400 Million Or 500 Million.** “Sternlicht Said Inflation Could Be "An Extraordinary Gift That Keeps On Giving A Tune Of Maybe \$400Million Or \$500 Million." "Barry Sternlicht -- Chairman and Chief Executive Officer [...] And as Jeff mentioned, the AMI or the rent that is set in affordable housing is on a trailing basis and it's based on both average incomes, as well as inflation. And obviously, 2019, what we've seen recently is not [Inaudible] to 2019. And to give you an idea of the orders of magnitude of what that could look like, the portfolio makes roughly around \$90 million, every \$10 million increase would be a couple of hundred million dollar increase in our book value, and we would expect to see \$10 million in compounding more than \$10 million gains in that income for the next several years. So -- and it's pretty much locked in because you know what wage inflation is and you know what CPI is. So it could be an extraordinary gift that keeps on giving a tune of maybe \$400 million or \$500 million." [The Motley Fool, [02/25/22](#)]

During The First Six Months Of FY 2022, Starwood Property Trust Saw Its Net Income Increase To Over \$666 Million, A \$417 Million Increase Year-Over-Year:

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Net income	281,705	126,384	666,019	248,910

[Starwood Property Trust SEC Form 10-Q, [08/04/22](#)]

In The First Six Months Of 2022, Starwood Spent Over \$294.2 Million On Shareholder Dividends:

	For the Six Months Ended	
	June 30	
	2022	2021
Payment of dividends	(294,277)	(276,051)

[Starwood Property Trust via SEC, [08/04/22](#)]

In The First Six Months Of Its FY 2022, AvalonBay Communities—The Third-Largest Publicly-Traded Apartment Owner Whose COO Touted Being “Well Positioned To Capture Higher Rent Levels”—Saw Its Revenue Increase 13.1% YoY To \$1.25 Billion And Its Average Rental Rate Increase 10.2% YoY To \$2,695, While Declaring \$445 Million In Dividends.

AvalonBay Communities Inc. Was The Third-Largest Publicly-Traded Apartment Owner—And The Fourth-Biggest Owner Overall—In 2021:

▶ 4	3	AvalonBay Communities, Inc.	80,094	79,886	Timothy J. Naughton	Arlington	VA
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[National Multifamily Housing Council, accessed [03/01/22](#)]

- **AvalonBay Is A Publicly-Traded Real Estate Investment Trust:**



[AvalonBay Communities, accessed [03/01/22](#)]

AvalonBay Had Ownership Interests In 297 Apartment Communities With Nearly 88,000 Units In 12 States And The District Of Columbia At The End Of 2021. "As of December 31, 2021, the Company owned or held a direct or indirect ownership interest in 297 apartment communities containing 87,992 apartment homes in 12 states and the District of Columbia, of which 19 communities were under development and one community was under redevelopment." [AvalonBay Communities, [02/17/22](#)]

July 2022: During AvalonBay’s Q2 2022 Earnings Call, The Company’s COO Touted Being “Well Positioned To Capture Higher Rent Levels As We Move Further In The Second Half Of 2022,” Due To Historically Low Availability And Resident Income Growth. “Sean Breslin - COO [...] And with the continued trend of historically low availability and resident incomes growing in the double-digit percentage range, we’re well positioned to capture higher rent levels as we move further into the second half of 2022 and look ahead to 2023.” [Seeking Alpha, [07/28/22](#)]

In The First Six Months Of Its FY 2022, AvalonBay’s Revenue Increased 13.1% Year-Over-Year To Over \$1.25 Billion:

	Q2 2022	Q2 2021	% Change	YTD 2022	YTD 2021	% Change
Revenue:						
Rental and other income	\$ 643,655	\$ 560,935	14.7 %	\$ 1,256,830	\$ 1,111,194	13.1 %
Management, development and other fees	904	808	11.9 %	1,656	1,685	(1.7)%
Total	644,559	561,743	14.7 %	1,258,486	1,112,879	13.1 %

[AvalonBay, [07/27/22](#)]

Despite Increased Revenue, AvalonBay’s Net Income Decreased 32.1% Year-Over-Year To \$400 Million:

	Q2 2022	Q2 2021	% Change	YTD 2022	YTD 2021	% Change
Net income	138,566	447,977	(69.1)%	400,642	590,211	(32.1)%

[AvalonBay, [07/27/22](#)]

Across AvalonBay's Apartment Buildings, The Average Rental Rate Increased 10.2% Year-Over-Year To \$2,695:

	Apartment Homes		Average Rental Rates (2)			
			Year to Date 2022	Year to Date 2021	% Change	
		[...]				
Total Same Store	70,347	\$	2,695	\$	2,446	10.2 %

[AvalonBay, [07/27/22](#)]

In The First Six Months Of FY 2022, AvalonBay Declared \$445 Million In Dividends, A \$1 Million Increase From FY 2021.

	Q2 2022	Q2 2021	% Change	YTD 2022	YTD 2021	% Change
		[...]				
Dividends declared - common	\$ 222,772	\$ 222,447	0.1 %	\$ 445,526	\$ 444,871	0.1 %

[AvalonBay, [07/27/22](#)]

Methodology

Accountable.US identified major categories from the U.S. Bureau of Labor Statistics' [2021 Consumer Price Index \(CPI\)](#) that are most likely to impact working families.

These categories included:

- Food (including CPI categories "Food at Home" and "Food Away from Home")
- Energy (including CPI category "Electricity And Utility (Piped) Gas Service")
- Healthcare (including CPI categories "Medical Care Commodities" and "Medical Care Services")
- Services (including CPI category "Shelter")

Accountable.US then identified the top 3 to 5 U.S. companies within each CPI category, according to market capitalization, or for apartments, number of units owned at the end of 2021. Once these top companies were identified, Accountable.US reviewed their available financial reports to determine their profitability and spending on share repurchases (commonly known stock buybacks) and shareholder dividends for the first half of 2022, most typically the first and second quarter of a company's fiscal year.

Once financial information for all companies was compiled, Accountable.US calculated the difference between their most recent reporting period and a comparable period in the prior year. These differences were used to determine how much more that each company made in profit and spent on shareholders in the first half of 2022. Once all of these totals and differences were determined, Accountable.US added them up to calculate totals for each CPI category and for the grand total for all categories.