

Mondelez International

There's no fudging Cocoa costs

Reiterate Rating: BUY | PO: 82.00 USD | Price: 76.34 USD

4Q23 earnings upside mostly below the line

Yesterday, MDLZ reported 4Q23 adjusted EPS of \$0.82 vs BofAe \$0.77 and consensus of \$0.79. Relative to our estimates organic sales +9.8% beat our +8.4% forecast with upside in 3 out of 4 segments. Operating profits missed by \$30m due to higher-than expected SG&A while a lower tax/interest expense drove EPS upside. Of importance, North America organic sales missed but would have beat (and been positive) excluding some transient items related to Clif and Give & Go. Net, we think the quarter was better than appeared given the one-off items while also revealing more pressure on the business than the rest of the year.

Organic sales the swing factor for '24

High single digit EPS growth guidance implies ~7% operating profit growth. With inflation running high single digits (Cocoa & Sugar), and most of it concentrated in Europe confection, success in raising prices and consumers accepting them will likely be a critical lever of upside/downside to current guidance. Our estimates (low end of guidance) reflect our view that MDLZ may have less flex in the P&L than it did in FY23.

FY24 outlook: HSD adj. EPS growth off a \$3.30 base

MDLZ introduced its FY24 outlook including high-single-digit (HSD) adj. EPS growth (constant currency) off a \$3.30 base, with a \$0.03 headwind from FX. With the moves in cocoa and sugar, inflation is expected to be HSD and offset by further pricing actions particularly in Europe. Constant currency organic sales is expected to grow at the upper end of 3-5%, with a 0.5pt headwind from FX. Other items include: 1) interest expense of ~\$325mm, 2) tax rate in mid-20%^s, 3) FCF ~\$3.5bn+, with capex higher than FY23, 4) ~\$2bn of share repurchases. We slightly lower our FY24-26e adj. EPS to \$3.50, \$3.78, and \$4.08 from \$3.51, \$3.79, \$4.10.

Reiterate Buy & \$82 PO

Reiterate Buy & \$82 PO based on 22x our CY25 EPS estimate. A premium multiple is warranted due to 1) portfolio strength given its low exposure to private label vs its peers, categories with elasticities that have held up well in an inflationary environment (snacking) and fast-growing geographies, and high market share in their categories, 2) room for revenue acceleration beyond category growth, & 3) good cash flow generation.

Estimates (Dec) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	2.79	3.19	3.50	3.78	4.08
GAAP EPS	0	0	0	0	5.38
EPS Change (YoY)	3.3%	14.3%	9.7%	8.0%	7.9%
Consensus EPS (Bloomberg)			3.56	3.82	4.20
DPS	1.47	1.62	1.78	1.96	2.16
Valuation (Dec)					
P/E	27.4x	23.9x	21.8x	20.2x	18.7x
GAAP P/E	NA	NA	NA	NA	14.2x
Dividend Yield	1.9%	2.1%	2.3%	2.6%	2.8%
EV / EBITDA*	26.2x	22.9x	21.2x	20.1x	19.2x
Free Cash Flow Yield*	2.9%	3.4%	3.4%	4.5%	5.1%

* For full definitions of *IQmethod*SM measures, see page 6.

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12653027

Timestamp: 31 January 2024 05:00AM EST

31 January 2024

Equity

Key Changes

(US\$)	Previous	Current
2024E Rev (m)	37,618.0	37,049.3
2025E Rev (m)	38,977.5	38,393.4
2026E Rev (m)	40,394.2	39,794.2
2024E EPS	3.51	3.50
2025E EPS	3.79	3.78
2026E EPS	4.10	4.08

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Stock Data

Price	76.34 USD
Price Objective	82.00 USD
Date Established	15-Dec-2023
Investment Opinion	A-1-7
52-Week Range	60.75 USD - 78.59 USD
Mrkt Val (mn) / Shares Out (mn)	104,738 USD / 1,372.0
Free Float	99.6%
Average Daily Value (mn)	457.97 USD
BofA Ticker / Exchange	MDLZ / NAS
Bloomberg / Reuters	MDLZ US / MDLZ.OQ
ROE (2024E)	0%
Net Dbt to Eqty (Dec-2023A)	62.1%
ESGMeter TM	High

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to "BofA ESGMeter Methodology".

iQprofileSM Mondelez International

iQmethodSM – Bus Performance*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Return on Capital Employed	7.0%	7.7%	8.4%	8.9%	11.2%
Return on Equity	14.0%	32.5%	NA	NA	NA
Operating Margin	15.5%	15.6%	16.5%	16.9%	17.3%
Free Cash Flow	3,002	3,602	3,525	4,760	5,357

iQmethodSM – Quality of Earnings*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash Realization Ratio	1.0x	1.1x	1.1x	1.2x	1.3x
Asset Replacement Ratio	0.9x	1.0x	1.2x	1.1x	1.2x
Tax Rate	20.9%	23.2%	23.8%	23.8%	22.8%
Net Debt-to-Equity Ratio	78.0%	62.1%	64.5%	63.0%	60.0%
Interest Cover	13.5x	19.3x	18.8x	19.0x	20.2x

Income Statement Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Sales	31,496	36,016	37,049	38,393	39,794
% Change	9.8%	14.4%	2.9%	3.6%	3.6%
Gross Profit	11,546	13,334	13,860	14,439	15,046
% Change	6.2%	15.5%	3.9%	4.2%	4.2%
EBITDA	5,992	6,849	7,414	7,793	8,190
% Change	3.9%	14.3%	8.3%	5.1%	5.1%
Net Interest & Other Income	(363)	(292)	(325)	(340)	(340)
Net Income (Adjusted)	3,866	4,371	4,677	4,948	5,246
% Change	1.2%	13.1%	7.0%	5.8%	6.0%

Free Cash Flow Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Income from Cont Operations (GAAP)	3,753	4,138	4,428	4,708	6,938
Depreciation & Amortization	1,107	1,215	1,311	1,319	1,324
Change in Working Capital	(521)	(487)	(1,074)	(163)	180
Deferred Taxation Charge	(42)	(37)	0	0	0
Other Adjustments, Net	(4,297)	(4,724)	(4,944)	(5,260)	NA
Capital Expenditure	(906)	(1,112)	(1,389)	(1,344)	(1,393)
Free Cash Flow	3,002	3,602	3,525	4,760	5,357
% Change	-5.5%	20.0%	-2.2%	35.1%	12.5%
Share / Issue Repurchase	(2,017)	(1,547)	(2,000)	(2,000)	(2,000)
Cost of Dividends Paid	(1,985)	(2,160)	(2,380)	(2,569)	(2,773)
Change in Debt	3,372	(4,024)	0	0	0

Balance Sheet Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash & Equivalents	1,923	1,795	939	1,131	1,715
Trade Receivables	3,907	4,512	4,812	4,983	5,162
Other Current Assets	4,261	5,381	6,315	6,526	6,745
Property, Plant & Equipment	9,020	9,694	9,773	9,798	9,866
Other Non-Current Assets	52,050	49,994	49,994	49,994	49,994
Total Assets	71,161	71,376	71,833	72,432	73,482
Short-Term Debt	2,682	2,521	2,521	2,521	2,521
Other Current Liabilities	14,049	16,492	16,652	16,871	17,449
Long-Term Debt	20,251	16,887	16,887	16,887	16,887
Other Non-Current Liabilities	7,259	7,125	7,125	7,125	7,125
Total Liabilities	44,241	43,025	43,185	43,404	43,982
Total Equity	26,920	28,351	28,648	29,028	29,500
Total Equity & Liabilities	71,161	71,376	71,833	72,432	73,482

* For full definitions of iQmethodSM measures, see page 6.

Company Sector

Food Processors

Company Description

MDLZ is the remaining entity of the original Kraft Inc. (KFT), which spun out its North American Grocery business into a new company called Kraft Foods Group (KRFT). MDLZ enjoys one of the most significant exposures to developing markets across the large CPG players (roughly 37% of revenues), on par with Coke and ahead of multinationals such as Nestle. It is number one or two in every category and region where it competes. 2) MDLZ generated \$31.496bn in net sales and \$6.849bn in EBITDA in 2022.

Investment Rationale

Our Buy rating is predicated on our view that continued brand investments and bolt on M&A (i.e., Chipita) will enable MDLZ to get ahead of category growth. MDLZ category and geographic mix should support consistent low double digit shareholder returns via a combination of growth, share repurchases and dividend increases. This places it in league with other consumer packaged goods multinationals.

Stock Data

Average Daily Volume 5,999,132

Quarterly Earnings Estimates

	2023	2024
Q1	0.86A	0.87E
Q2	0.72A	0.76E
Q3	0.77A	0.91E
Q4	0.84A	0.96E

Variance table

Exhibit 1: 4Q23 variance table

Adj. EPS of \$0.84 came in above BofAe \$0.77

Mondelez								Source of EPS Upside		
Dollars in millions	4Q23A	% Sales	4Q23E	% Sales	A vs. E	4Q22	Y/Y Chg			
Net Revenue								Net Sales	\$0.08	
Latin America	\$1,262	13.5%	\$1,196	13.0%	\$66	\$1,014	24.5%	COGS	(\$0.01)	
AMEA	\$1,736	18.6%	\$1,686	18.4%	\$50	\$1,661	4.5%	Gross Profit	\$0.07	
Europe	\$3,538	38.0%	\$3,464	37.8%	\$75	\$3,210	10.2%	SG&A	(\$0.08)	
North America	\$2,778	29.8%	\$2,826	30.8%	(\$48)	\$2,810	-1.1%	Amortization of Intangibles	\$0.00	
								Asset impairment and exit costs	\$0.00	
Total net revenues						\$9,314	100.0%	Operating Profit	(\$0.02)	
								Interest expense	\$0.02	
EBIT Breakout (ex-charges)								Royalty income from affiliates	\$0.01	
Latin America	\$159	12.6%	\$132	11.0%	\$27	108	47.2%	Tax rate	\$0.06	
AMEA	\$246	14.2%	\$219	13.0%	\$27	205	20.0%	Discontinued ops	\$0.00	
Europe	\$643	18.2%	\$693	20.0%	(\$50)	638	0.8%	Net income (loss) to other	\$0.00	
North America	\$505	18.2%	\$523	18.5%	(\$18)	461	9.5%	Share count	(\$0.00)	
Unrealized G/(L) on Hedging	\$0	0.0%	\$0	0.0%	\$0	0	NA	Above the line	(\$0.02)	
General Corporate expenses	(\$113)	-1.2%	(\$92)	-1.0%	(\$21)	(121)	-6.6%	Below the line	\$0.08	
Amortization of intangibles	(\$37)	-0.4%	(\$38)	-0.4%		(34)	8.8%			
Total EBIT (ex-charges)						\$1,403	15.1%			
Underlying Income Statement										
Net sales	\$9,314		\$9,171		\$143	\$8,695	7.1%			
Cost of sales	\$5,781	62.1%	\$5,759	62.8%	\$22	\$5,637	2.6%			
Gross Profit	\$3,533	37.9%	\$3,412	37.2%	\$121	\$3,058	15.5%			
SG&A	\$2,094	22.5%	\$1,937	21.1%	\$157	\$1,765	18.6%			
Amortization of Intangibles	\$36	0.4%	\$38	0.4%	(\$2)	\$36	0.0%			
Asset impairment and exit costs	\$0	0.0%	\$0	0.0%	\$0	\$0	NA			
EBIT	\$1,403	15.1%	\$1,436	15.7%	(\$33)	\$1,257	11.6%			
Interest expense, net	\$49	0.5%	\$82	0.9%	(\$33)	\$116	-57.8%			
Other	\$22	0.2%	\$15	0.2%	\$7	\$32	NA			
Earnings before taxes	\$1,376	14.8%	\$1,369	14.9%	\$7	\$1,173	17.3%			
Income taxes	\$281	3.0%	\$363	4.0%	(\$82)	\$287	-2.1%			
Tax Rate	20.4%		26.5%		-608bps	24.5%	-16.5%			
Discontinued operations	\$0	0.0%	\$0	0.0%	\$0	\$0	NA			
Non-controlling interest	\$0	0.0%	\$0	0.0%	\$0	\$1	-100.0%			
Royalty income from affiliates	\$55	0.6%	\$45	0.5%	\$10	\$51	7.8%			
Net income (ex-charges)	\$1,150	12.3%	\$1,052	11.5%	\$98	\$936	22.9%			
Diluted EPS (operating)						\$0.84	\$0.77	0.07	\$0.68	23.9%
Shares Outstanding	1,364		1,362		\$2	1,375	-0.8%			

Source: MLDZ, BofA Global Research estimates

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Income statement

Exhibit 2: MDLZ summary income statement

We model FY24E adj. EPS of \$3.50

Income Statement		Mar-23	Jun-23	Sep-23	Dec-23		Mar-24	Jun-24	Sep-24	Dec-24			
(\$ in millions, except per share data)	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24E	2Q24E	3Q24E	4Q24E	2024E	2025E	2026E
Net sales	\$31,496	\$9,166	\$8,507	\$9,029	\$9,314	\$36,016	\$9,147	\$8,579	\$9,344	\$9,980	\$37,049	\$38,393	\$39,794
Cost of Goods Sold	\$19,950	\$5,851	\$5,403	\$5,647	\$5,781	\$22,682	\$5,854	\$5,404	\$5,793	\$6,137	\$23,189	\$23,954	\$24,748
Gross profit	\$11,546	\$3,315	\$3,104	\$3,382	\$3,533	\$13,334	\$3,293	\$3,174	\$3,551	\$3,842	\$13,860	\$14,439	\$15,046
Gross margin	36.7%	36.2%	36.5%	37.5%	37.9%	37.0%	36.0%	37.0%	38.0%	38.5%	37.4%	37.6%	37.8%
SG&A expenses	\$6,529	\$1,752	\$1,798	\$1,906	\$2,094	\$7,550	\$1,739	\$1,810	\$1,917	\$2,140	\$7,607	\$7,815	\$8,030
Amortization of intangibles	132	39	37	38	36	150	38	38	38	38	150	150	150
Asset impairment and exit costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit	\$4,885	\$1,524	\$1,269	\$1,438	\$1,403	\$5,634	\$1,516	\$1,327	\$1,596	\$1,664	\$6,103	\$6,475	\$6,866
Operating profit margin	15.5%	16.6%	14.9%	15.9%	15.1%	15.6%	16.6%	15.5%	17.1%	16.7%	16.5%	16.9%	17.3%
Interest expense, net	\$363	\$89	\$91	\$63	\$49	\$292	\$60	\$85	\$90	\$90	\$325	\$340	\$340
Marketable securities gains/losses	-	9	5	(1)	-	13	20	20	20	20	80	80	80
Benefit plan non-service (income/expense)	126	19	22	19	22	82	20	20	20	20	80	80	80
Earnings before taxes	\$4,648	\$1,463	\$1,205	\$1,393	\$1,376	\$5,437	\$1,476	\$1,262	\$1,526	\$1,594	\$5,858	\$6,215	\$6,606
Income taxes	\$1,000	\$332	\$293	\$376	\$281	\$1,282	\$354	\$303	\$366	\$383	\$1,406	\$1,492	\$1,585
Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-
JV Income	227	56	66	48	55	225	55	65	50	55	225	225	225
Noncontrolling interest	9	8	(3)	4	-	9	-	-	-	-	-	-	-
Net income (ex-charges)	\$3,866	\$1,179	\$981	\$1,061	\$1,150	\$4,371	\$1,177	\$1,024	\$1,210	\$1,267	\$4,677	\$4,948	\$5,246
Diluted E.P.S. (operating)	\$2.79	\$0.86	\$0.72	\$0.77	\$0.84	\$3.19	\$0.87	\$0.76	\$0.91	\$0.96	\$3.50	\$3.78	\$4.08
Diluted shares outstanding	1,385	1,373	1,372	1,370	1,364	1,370	1,346	1,339	1,333	1,326	1,336	1,311	1,286
Dividends per share	\$1.47	\$0.39	\$0.39	\$0.43	\$0.43	\$1.62	\$0.42	\$0.42	\$0.47	\$0.47	\$1.78	\$1.96	\$2.16
FX hit to EPS	\$0.23	\$0.06	\$0.03	\$0.02	\$0.00	\$0.11	\$0.01	\$0.01	\$0.01	\$0.01	\$0.03	\$0.00	\$0.00
Adjusted EPS at Constant Currency	\$3.02	\$0.92	\$0.75	\$0.79	\$0.84	\$3.30	\$0.88	\$0.77	\$0.92	\$0.96	\$3.53	\$3.78	\$4.08
Growth Analysis (%)	2022	1Q23	2Q23	3Q23	4Q23	2,023	1Q24E	2Q24E	3Q24E	4Q24E	2024E	2025E	2026E
Net sales	9.8%	18.1%	17.0%	16.3%	7.1%	14.4%	-0.2%	0.8%	3.5%	7.1%	2.9%	3.6%	3.6%
Gross profit	6.2%	12.1%	15.4%	19.0%	15.5%	15.5%	-0.7%	2.3%	5.0%	8.7%	3.9%	4.2%	4.2%
Operating profit	5.0%	12.8%	19.9%	18.0%	11.6%	15.3%	-0.5%	4.6%	11.0%	18.6%	8.3%	6.1%	6.0%
Net income	1.2%	6.5%	13.5%	10.6%	22.9%	13.1%	-0.2%	4.4%	14.0%	10.1%	7.0%	5.8%	6.0%
Diluted E.P.S.	3.2%	8.4%	14.9%	11.4%	23.9%	14.3%	1.8%	6.9%	17.2%	13.3%	9.7%	7.8%	8.0%
Adjusted EPS at Constant Currency	11.7%	16.0%	19.8%	14.2%	23.9%	18.3%	2.7%	8.0%	18.2%	14.2%	10.7%	7.9%	8.0%
Margin Analysis	2022	1Q23	2Q23	3Q23	4Q23	2,023	1Q24E	2Q24E	3Q24E	4Q24E	2024E	2025E	2026E
Gross profit margin	36.7%	36.2%	36.5%	37.5%	37.9%	37.0%	36.0%	37.0%	38.0%	38.5%	37.4%	37.6%	37.8%
bp change	-124 bp	-192 bp	-48 bp	85 bp	276 bp	36 bp	-17 bp	51 bp	54 bp	57 bp	39 bp	20 bp	20 bp
Operating profit margin	15.5%	16.6%	14.9%	15.9%	15.1%	15.6%	16.6%	15.5%	17.1%	16.7%	16.5%	16.9%	17.3%
bp change	-71 bp	-77 bp	37 bp	22 bp	61 bp	13 bp	-5 bp	55 bp	115 bp	161 bp	83 bp	39 bp	39 bp
Cost Analysis (%)	2022	1Q23	2Q23	3Q23	4Q23	2,023	1Q24E	2Q24E	3Q24E	4Q24E	2024E	2025E	2026E
COGS % sales	63.3%	63.8%	63.5%	62.5%	62.1%	63.0%	64.0%	63.0%	62.0%	61.5%	62.6%	62.4%	62.2%
SG&A expenses % sales	20.7%	19.1%	21.1%	21.1%	22.5%	21.0%	19.0%	21.1%	20.5%	21.4%	20.5%	20.4%	20.2%
Apparent interest rate	1.9%	1.6%	1.6%	1.2%	1.0%	1.4%	1.2%	1.8%	1.9%	1.9%	1.7%	1.8%	1.8%
Effective tax rate	21.5%	22.7%	24.3%	27.0%	20.4%	23.6%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Dividend Policy	2022	1Q23	2Q23	3Q23	4Q23	2,023	1Q24E	2Q24E	3Q24E	4Q24E	2024E	2025E	2026E
Dividend growth rate	10.5%	10.0%	10.0%	10.4%	10.4%	10.2%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Payout ratio	52.7%	44.8%	53.8%	54.9%	45.7%	49.5%	48.4%	55.4%	51.5%	44.3%	49.6%	50.6%	51.6%
Credit Analysis	2022	1Q23	2Q23	3Q23	4Q23	2,023	1Q24E	2Q24E	3Q24E	4Q24E	2024E	2025E	2026E
Operating profit / interest expense	13.5x	17.1x	13.9x	22.8x	28.6x	19.3x	25.3x	15.6x	17.7x	18.5x	18.8x	19.0x	20.2x
EBITDA	\$5,992	\$1,827	\$1,559	\$1,747	\$1,716	\$6,849	\$1,844	\$1,654	\$1,923	\$1,993	\$7,414	\$7,793	\$8,190
Net debt / EBITDA	3.5x	3.3x	3.1x	2.8x	2.6x	2.6x	2.8x	2.8x	2.6x	2.5x	2.5x	2.5x	2.3x

Source: MDLZ, BofA Global Research estimates

BofA GLOBAL RESEARCH

Price objective basis & risk

Mondelez International (MDLZ)

Our \$82 price objective is based on 22x our CY25 EPS estimate. In our view, a premium multiple is warranted due to 1) portfolio strength given its low exposure to private label vs its peers, categories with elasticities that have held up well in an inflationary environment (snacking) and fast growing geographies, and high market share in their categories, 2) room for revenue acceleration beyond category growth, and 3) good cash flow generation.

Upside risks: 1) incremental pricing actions continue to support topline growth and cover inflationary headwinds, 2) the dollar strength tapering off to reduce the FX impact on topline and margins, and 3) inflation to decelerate at a faster pace than expected.

Downside risks: 1) the dollar continues to show strength for an extended period which could continue to hurt topline, 2) hedging roll-offs to impact margin expansion, 3) higher elasticities as consumer wallets continue to be pressure in an inflationary environment, and 4) rates taper off at a slower rate causing elevated interest expense for a longer period than expected.

Analyst Certification

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US - Consumables Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	BellRing Brands Inc	BRBR	BRBR US	Bryan D. Spillane
	Coca-Cola Europacific Partners plc	CCEP	CCEP US	Bryan D. Spillane
	Colgate-Palmolive Company	CL	CL US	Bryan D. Spillane
	Constellation Brands	STZ	STZ US	Bryan D. Spillane
	Coty Inc.	COTY	COTY US	Anna Lizzul
	e.l.f. Beauty	ELF	ELF US	Anna Lizzul
	Freshpet, Inc.	FRPT	FRPT US	Bryan D. Spillane
	Kenvue Inc.	KVUE	KVUE US	Anna Lizzul
	Keurig Dr Pepper	KDP	KDP US	Bryan D. Spillane
	Kraft Heinz Company	KHC	KHC US	Bryan D. Spillane
	Lamb Weston Holdings Inc	LW	LW US	Peter T. Galbo, CFA
	McCormick & Co.	MKC	MKC US	Peter T. Galbo, CFA
	Mondelez International	MDLZ	MDLZ US	Bryan D. Spillane
	Monster Beverage Corporation	MNST	MNST US	Peter T. Galbo, CFA
	PepsiCo	PEP	PEP US	Bryan D. Spillane
	Philip Morris International	PM	PM US	Lisa K. Lewandowski
	Pilgrim's Pride Corp.	PPC	PPC US	Peter T. Galbo, CFA
	The Coca Cola Company	KO	KO US	Bryan D. Spillane
	The Procter & Gamble Company	PG	PG US	Bryan D. Spillane
NEUTRAL				
	Altria Group	MO	MO US	Lisa K. Lewandowski
	Celsius Holdings Inc	CELH	CELH US	Jonathan Keypour
	Church & Dwight	CHD	CHD US	Anna Lizzul
	Clorox	CLX	CLX US	Anna Lizzul
	Conagra Brands, Inc.	CAG	CAG US	Peter T. Galbo, CFA
	Estee Lauder Companies Inc.	EL	EL US	Bryan D. Spillane
	General Mills	GIS	GIS US	Bryan D. Spillane
	JM Smucker Company	SJM	SJM US	Peter T. Galbo, CFA
	Kellanova	K	K US	Peter T. Galbo, CFA
	Molson Coors Beverage Company	TAP	TAP US	Bryan D. Spillane
	The Duckhorn Portfolio, Inc.	NAPA	NAPA US	Peter T. Galbo, CFA



US - Consumables Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	The Hershey Company	HSY	HSY US	Bryan D. Spillane
	Utz Brands	UTZ	UTZ US	Peter T. Galbo, CFA
	WK Kellogg Co	KLG	KLG US	Peter T. Galbo, CFA

UNDERPERFORM

	Brown-Forman Corporation	BFB	BF/B US	Bryan D. Spillane
	Campbell Soup Company	CPB	CPB US	Peter T. Galbo, CFA
	Canopy Growth	YWEED	WEED CN	Lisa K. Lewandowski
	Canopy Growth	CGC	CGC US	Lisa K. Lewandowski
	Cronos Group	YCRON	CRON CN	Lisa K. Lewandowski
	Cronos Group	CRON	CRON US	Lisa K. Lewandowski
	Dole plc	DOLE	DOLE US	Bryan D. Spillane
	Herbalife Nutrition Ltd	HLF	HLF US	Anna Lizzul
	Hormel Foods Corp.	HRL	HRL US	Peter T. Galbo, CFA
	Kimberly-Clark	KMB	KMB US	Anna Lizzul
	Tyson Foods, Inc.	TSN	TSN US	Peter T. Galbo, CFA

RSTR

	The Vita Coco Company, Inc.	COCO	COCO US	Bryan D. Spillane
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iQmethodSM Measures Definitions**Business Performance**

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill Amortization

Shareholders' Equity

Sales

N/A

N/A

Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash & Equivalents

EBIT

Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

EV = Current Share Price × Current Shares + Minority Equity + Net Debt +

Other LT Liabilities

Enterprise Value

Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

Basic EBIT + Depreciation + Amortization

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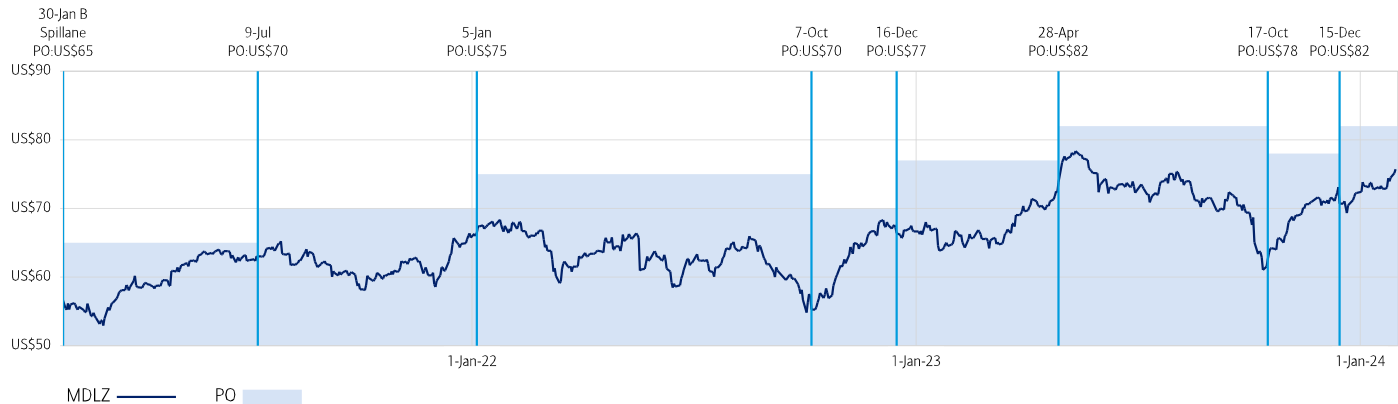
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Mondelez Int (MDLZ) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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Equity Investment Rating Distribution: Food Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	33	49.25%	Buy	16	48.48%
Hold	17	25.37%	Hold	10	58.82%
Sell	17	25.37%	Sell	8	47.06%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R2} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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