

Global Research Marketing

US BofA Consumer & Retail Conference: What did we learn?

Broad/Hardlines & Food Retail – Share shifts & ad dollars

Key themes according to Robby Ohmes included: (1) Broadlines retailers are seeing stable to improving performance in discretionary categories. WMT highlighted that ~2/3rds of market share gains coming from \$100k-plus income consumers. AZO highlighted middle-to-upper income consumers spending at a “normal clip” (lower income customers spending less on accessories); (2) While targeted promos are on the rise at WMT and KR with support from some dry grocery vendors, there does not appear any broad lowering of prices yet from the CPG companies; (3) WMT & KR continue to see significant growth in EBIT from increasing digital advertising spending. (4) Home improvement could improve some in 2H, but more significantly in 2025.

Staples investors focused on volume recovery

In Consumer Staples, Bryan Spillane, Pete Galbo and Anna Lizzul suggest that investors continue to await volume recovery before becoming more constructive. In Food/Bevs, summer will be a key watch-out with companies spending more to drive incremental volume growth (snacking season for Food, activations around Olympics/soccer for Beverage names). Additionally, innovation was topical this year (HRL, CELH, KO, KVUE, PG). CPB announced the closing of the SOVO acquisition on Tuesday—we think that there could still be room for more M&A as companies look to supplement portfolios with inorganic growth.

Softlines meetings highlight share shifts in stable market

The tone from most companies was positive, according to Lorraine Hutchinson and Chris Nardone, with a particular focus on company-specific sales and margin opportunities rather than conversations about macro. The consumer continues to hold up overall but is careful about spending and has been allocating dollars outside of apparel. Most of the retailers that we hosted discussed plans to grow or defend market share. A more typical shipping, freight and labor environment in addition to normalized inventories means that most of the F24 margin expansion will come from leverage.

Strong restaurant interest from consumers and investors

Sara Senatore and Katherine Griffin suggest the consumer continues to spend on restaurants, albeit somewhat more selectively. The result is that companies who exited the year with momentum — CMG, TXRH, SG — have sustained it. Tech remains an opportunity, with companies that are most capacity constrained (CMG, TXRH, FWRG at our conference) likely to benefit most. CMG is testing automation in restaurants with investments in Hyphen (digital make line) and co-bots (Chippy, Autocado). SG’s rollout of the Infinite Kitchen (IK) – an automated robotic make line – continues to make progress.

(See next page for Alex Perry’s take on Leisure Brands/Retailers)

14 March 2024

Equity
Global
Consumer

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Timestamp: 14 March 2024 05:48PM EDT

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See more investor optimism for Leisure Brands/Retailers

Alex Perry believes leisure brands & retailers that attended the conference were more constructive compared to last year. Consumer demand remains resilient for companies with new product innovation or initiatives (HOG/LTH), supply chains have become more predictable. However, COVID beneficiaries in high-ticket categories were more cautious as demand continues to normalize (FOXF). Overall, we believe there has been a positive shift in investor sentiment, and more interest in small-mid cap stocks in our coverage vs. prior years.

Key Notes from the Consumer & Retail Conference

[Walmart](#) | BUY | WMT US | Mkt Cap: US \$593,589mn | Robert F. Ohmes, CFA
Consumer Conference Key Takeaways

- We hosted WMT Investor Relations for group meetings at BofA's 2024 Consumer Conference in Miami. Our key takeaways included:
- continued share gains for WMT across grocery and general merchandise, slowing disinflation in dry grocery, cont'd progress...
- ...towards ecommerce profitability, digital advertising opportunities, and labor/automation. See inside for more.

[BJ's Wholesale Club Holdings](#) | BUY | BJ US | Mkt Cap: US \$9,746mn | Robert F. Ohmes, CFA

Consumer Conference: BJ Fireside Chat Takeaways

- We hosted BJ for a fireside chat & group meetings at our 2024 Consumer Conference in Miami, FL. Our key takeaways included:
- 1) General merchandise comps should remain positive in 2024, 2) Members continue to show up across income cohorts
- 3) We believe a membership fee increase is unlikely near term, 4) BJ could see accelerated pace of club openings in future

[Driven Brands](#) | BUY | DRVN US | Mkt Cap: US \$2,404mn | Robert F. Ohmes, CFA
Consumer Conference Key Takeaways

- We hosted Driven Brands (DRVN) for a fireside chat at our 2024 Consumer Conference in Miami, FL.
- We expect the Take 5 rewards program will drive incremental visits and cross-shopping between oil change and car wash.
- in 2024, DRVN wants to focus on holding onto the variable cost structure of the car wash business and growing revenue.

[The Kroger Co.](#) | BUY | KR US | Mkt Cap: US \$40,480mn | Robert F. Ohmes, CFA
Consumer Conference Key Takeaways

- We hosted KR Investor Relations for group meetings at BofA's 2024 Consumer Conference in Miami. Our key takeaways included:

- improving ID sales trends moving past 1Q, cont'd cost savings execution enabling investments in prices, wages digital & more.
- We see support for KR from strong variety/value & digital offerings as well as growing alternative profit stream opps.

Floor and Decor Holdings, Inc. | BUY | FND US | Mkt Cap: US \$13,499mn | Robert F. Ohmes, CFA

Consumer Conference Key Takeaways

- We hosted the FND group meetings at our 2024 Consumer Conference in Miami, FL. Our key takeaways included:
- 1) 2024 GM improvement driven by ocean & international freight, 2) ticket pressures primarily reflect smaller project size,
- 3) FND should have significant earnings power once macro improves, 4) 25% of new store openings in 2024 are smaller format.

Sysco Corporation | BUY | SYU US | Mkt Cap: US \$40,085mn | Kendall Toscano

Consumer Conference Key Takeaways

- We hosted SYU Investor Relations for group meetings at BofA's 2024 Consumer Conference in Miami. Our key takeaways included:
- support for continued improvement in local case volume momentum in F24 and beyond, SYU's strong outlook in specialty & more.
- We see SYU well-positioned for cont'd market share gains & margin expansion, w/ LT support from scale & strategic investments.

US Consumer Staples | Bryan D. Spillane

Takeaways from BofA Consumer & Retail Conference 2024

- Our annual Consumer Conference featured management from CPB, HRL, PPC, TSN, UTZ, CCEP, CELH, COCO, NAPA, TAP, KVUE, PG.
- Food centered on SNAP roll-offs and summer to be key watch-outs; beverages discussed summer activations...
- ...while HPC focused on innovation and marketing with in-store execution to win market share in key categories.

Utz Brands | BUY | UTZ US | Mkt Cap: US \$2,524mn | Peter T. Galbo

It's not the dip, it's the chip – upgraded to Buy

- We upgraded shares of pure-play salty snacks manufacturer UTZ to Buy and raise our PO to \$22, now based on 18x our 2025E...
- EV/EBITDA (prior Neutral, \$19 PO, 15.5x '25, respectively). We have increased confidence in UTZ's roadmap to achieving its...
- long-term sales algo, leverage headwind is beginning to recede, and UTZ presents as a potential takeout candidate.

Specialty Retail and Department Stores | Lorraine Hutchinson

Conference Takeaways: enticing a careful consumer

- The tone from most companies was positive, with a focus on company-specific sales and margin oppty rather than macro



- The consumer continues to hold up well overall but is careful about spending & has been allocating dollars outside of apparel
- We hosted URBN, RVLV, and EWCZ for meetings at our Consumer Conference in Miami

Bath & Body Works Inc | BUY | BBWI US | Mkt Cap: US \$12,468mn | Lorraine Hutchinson

Conference Takeaways: see continued opportunity for margin expansion

- We hosted meetings with Eva Boratto, CFO at our Consumer Conference in Miami
- We maintain our Buy rating based on improving sales, margin recapture opportunity, and free cash flow generation
- Mgmt struck a positive tone on its ability to quickly react to customer feedback & laid out oppty for a 2H sales inflection

TJX Companies | BUY | TJX US | Mkt Cap: US \$116,619mn | Lorraine Hutchinson

Conference Takeaways: well positioned for continued share gains

- We hosted CFO & EVP John Klinger, SVP Global Communications Debra McConnell, & VP IR Jeff Botte at our Consumer Conference
- Reit Buy; we have further conviction that TJX can secure great deals on quality, branded product while providing value
- Better buying will continue to support merchandise margin in F25, and shrink mitigation efforts are working

Burlington Stores | BUY | BURL US | Mkt Cap: US \$14,735mn | Lorraine Hutchinson

Conference Takeaways: sales & margin opportunities abound

- We hosted meetings with David Glick, SVP IR/Treasurer and Daniel Delrosario, VP IR, at our Conference in Miami
- We continue to see outsized sales and margin recovery opportunities and reiterate our Buy rating
- F24 margins will benefit from higher MM, freight, supply chain, and leverage on buying costs

Tapestry Inc. | BUY | TPR US | Mkt Cap: US \$12,691mn | Lorraine Hutchinson

Conference Takeaways: see opportunity for sustainable growth

- We hosted meetings with CEO Joanne Crevoiserat and CFO/COO Scott Roe at our Conference in Miami
- Reit Buy as we think the Coach strength, strong margin profile, & cash flow generation warrant a higher multiple
- TPR reiterated confidence in closing the CPRI acquisition in C24

Carter's Inc | UNDERPERFORM | CRI US | Mkt Cap: US \$3,238mn | Christopher Nardone

Conference Takeaways: Positive tone on consumer, but questions remain on DTC

- We hosted CRI at our Consumer Conf in Miami; consumer sentiment seems to be improving but questions on DTC turnaround remain

- Mgmt struck a positive tone about the outlook for wholesale with expectations for LSD growth in order books
- Mgmt remains confident about achieving LSD comp growth this year; however we remain more cautious

[Ralph Lauren](#) | BUY | RL US | Mkt Cap: US \$13,418mn | Christopher Nardone

Conference takeaways: Confident in path to more margin improvement

- We hosted Jane Nielsen, CFO and COO for investor meetings at our consumer conference in Miami
- We walked away confident that RL will achieve its 15% ccy op margin target by F25, led by GM expansion and SG&A leverage
- We remain confident about the health of the core RL consumer globally; Asia and DTC should continue to drive growth into F25

[American Eagle](#) | NEUTRAL | AEO US | Mkt Cap: US \$4,247mn | Christopher Nardone

Conference takeaways: Multiple initiatives to drive sustainable growth at AE

- We hosted Mike Mathias, CFO for investor meetings at our Consumer Conference in Miami following last week's strategy update
- We are encouraged by the 1H weighted F24 guide but acknowledge the calendar shift and difficult compares in 2H are notable
- Mgmt. currently has workstreams on over 85% of its cost structure to help drive the business to a 10% operating margin by '26

[Skechers USA Inc](#) | NEUTRAL | SKX US | Mkt Cap: US \$8,278mn | Christopher Nardone

Conference takeaways: US wholesale outlook improving but not out of woods

- We hosted John Vandemore, CFO for investor meetings at our consumer conference in Miami
- Mgmt. had a cautiously optimistic tone on US wholesale in 1H, citing visibility that the channel is improving
- We remain positive on int'l growth led by roll out of the Hands Free Slip Ins; more cautious on China and India near term

[Restaurants Industry](#) | Sara Senatore

Consumer Conference Takeaways: CMG, FWRG, JACK, PTLO, QSR, SG, TXRH

- CMG: Throughput, LTOs, loyalty. PTLO: Strong value prop, portable concept. SG: QTD demand strong; IK benefits bottom line.
- JACK: Smashed JACK supports comp; unit growth to accelerate. QSR: Ops, remodels in US, NRG in int'l.
- FWRG: Culinary, value drive growth in competitive markets. TXRH: LT traffic share gains, op leverage emerging.

[Harley-Davidson](#) | BUY | HOG US | Mkt Cap: US\$5,460mn | Alexander Perry

Consumer Conference: HOG Fireside Chat Takeaways



- We hosted a fireside chat & investor meetings with HOG management at our Consumer Conference in Miami, FL.
- We believe consumer reception to HOG's touring lineup revamp has been very favorable.
- HOG could benefit from a product refresh cycle given 1.5mm Harley touring riders. Raise PO to \$55.

[Fox Factory Holding Corp](#) | NEUTRAL | FOXF US | Mkt Cap: US \$2,151mn |

Alexander Perry

Consumer Conference: FOXF Fireside Chat Takeaways

- We hosted a fireside chat and investor meetings with FOXF management at our consumer conference in Miami, FL.
- We believe FOXF sees strong long term growth in SSG, PVG, and AAG but near term headwinds.
- We believe a moderating rate environment would accelerate growth in FOXF's end markets.

[Life Time](#) | BUY | LTH US | Mkt Cap: US \$2,840mn | Alexander Perry

Consumer Conference: LTH Fireside Chat Takeaways

- We hosted a Fireside Chat with LTH management at our consumer conference in Miami, FL. We reiterate Buy and \$21 PO.
- LTH continues to expand its leisure offerings which is driving higher member usage and retention.
- LTH's cost per visit is only up modestly vs. 2019. Long -term we expect 8-12 large format equivalent clubs per year.

[Xponential Fitness](#) | BUY | XPOF US | Mkt Cap: US \$888mn | Alexander Perry

Consumer Conference: XPOF Fireside Chat Takeaways

- We hosted a Fireside Chat with LTH management at our consumer conference in Miami, FL. We reiterate Buy and \$21 PO.
- LTH continues to expand its leisure offerings which is driving higher member usage and retention.
- LTH's cost per visit is only up modestly vs. 2019. Long -term we expect 8-12 large format equivalent clubs per year.

[Wayfair](#) | BUY | W US | Mkt Cap: US \$7,068mn | Curtis Nagle

BofA consumer conf.; W strikes confident tone on continued share gains & margins

- We hosted W CFO Kate Gulliver at the BofA consumer conf. Tone was most positive on share gains, industry recovery & margins.
- Mgmt. did not update 1Q revenue guide of down mid-single digits but we think tax and weather headwinds could inflect in 2Q.
- A new brand campaign and loyalty program could drive more purchase frequency while supplier advertising should grow this year.

2024 Consumer & Retail Conference Agenda March 12-13

Tuesday, March 12

7:00 – 8:00 a.m.	Registration & Breakfast – Terra Gallery, Mezzanine	Terra Ballroom 2 – Mezzanine
8:00 – 8:40 a.m.	Terra Ballroom 1 – Mezzanine	Xponential Fitness, Inc.
8:50 – 9:30 a.m.	Bath and Body Works Eva Boratto, <i>Chief Financial Officer</i>	John Meloun, <i>Chief Financial Officer</i>
	BJ's Wholesale Club Holdings Laura Felice, <i>Chief Financial Officer</i>	Monro Inc.
	Cathie Park, <i>IR</i>	Brian D'Ambrosia, <i>EVP, Finance & Chief Financial Officer</i>
9:40 – 10:20 a.m.	Campbell Soup Company Mark Clouse, <i>Chief Executive Officer</i>	Felix Veksler, <i>Senior Director, Investor Relations</i>
	Carrie Andersen, <i>Chief Financial Officer</i>	Upbound Group
10:30 – 11:10 a.m.	Jack in the Box Inc. Brian Scott, <i>Chief Financial Officer</i>	Mitch Fadel, <i>Chief Executive Officer</i>
	Chris Brandon, <i>Vice President, IR</i>	
11:20 – 12:00 p.m.	Harley-Davidson Inc. Jonathan Root, <i>Chief Financial Officer</i>	Ralph Lauren Corp
12:10 – 12:50 p.m.	Shawn Collins, <i>Director of Investor Relations</i>	Jane Nielsen, <i>Chief Financial Officer & COO</i>
	Does Bank of America data suggest continued consumer resilience? (Terra Ballroom 1, Mezzanine) David Tinsley, <i>Senior Economist, Bank of America Institute</i>	Utz Brands Inc.
	Moderator: Liz Everett Krisberg, Head, Bank of America Institute	Howard Friedman, <i>Chief Executive Officer</i>
1:00 – 1:40 p.m.	Terra Ballroom 1 – Mezzanine	Ajay Kataria, <i>Chief Financial Officer</i>
	No Session	
1:50 – 2:30 p.m.	Portillo's Inc. Michael Osanloo, <i>Chief Executive Officer</i>	Terra Ballroom 2 – Mezzanine
	Michelle Hook, <i>Chief Financial Officer</i>	Life Time Group Holdings, Inc.
2:40 – 3:20 p.m.	Sweetgreen Mitch Reback, <i>Chief Financial Officer</i>	Bahram Akradi, <i>Chief Executive Officer</i>
		Erik Weaver, <i>Interim Chief Financial Officer</i>
3:30 – 4:10 p.m.	Global Research panel: Generalist view in the US Consumer sector Jill Hall, <i>Head of US SMID Cap Strategy, BofA Securities</i>	Dani Matzke, <i>Vice President, Corporate Finance</i>
	Evan Morris, <i>Managing Director, BofA Securities</i>	Driven Brand Holdings Inc.
	Michael Youngworth, <i>Head of Global Convertible Bond Strategy, BofA Securities</i>	Jonathan Fitzpatrick, <i>President & Chief Executive Officer</i>
	Moderator: Bryan Spillane, Managing Director, BofA Securities & Michael Dick, US Consumer Sector Specialist, BofA Securities	Danny Rivera, <i>Executive Vice President & Chief Operating Officer</i>
5:00 p.m.		Wayfair Inc.
4:30 – 6:00 p.m.		Kate Gulliver, <i>Chief Financial Officer & CAO</i>
		James Lamb, <i>Head of Investor Relations & Treasury</i>
		First Watch Restaurant Group Inc.
		Mel Hope, <i>Chief Financial Officer</i>
		1x1 Meetings Conclude
		Evening Reception – Ocean Terrace, 2nd Floor

Wednesday, March 13

7:00 – 8:00 a.m.	Registration & Breakfast – Terra Gallery, Mezzanine	Terra Ballroom 2 – Mezzanine
8:00 – 8:40 a.m.	Terra Ballroom 1 – Mezzanine	Carter's Inc.
	No Session	Mike Casey, <i>Chairman & Chief Executive Officer</i>
		Richard Westenberger, <i>Senior EVP, CFO & COO</i>
		Kendra Krugman, <i>Senior EVP, Chief Creative & Growth Officer</i>



8:50 – 9:30 a.m.	European Wax Center Inc. David Willis, <i>Chief Executive Officer</i> Andrea Wasserman, <i>Chief Commercial Officer</i>	Texas Roadhouse Inc. Jerry Morgan, <i>Chief Executive Officer</i> Chris Monroe, <i>Chief Financial Officer</i> Michael Bailen, <i>Head of Investor Relations</i>
9:40 – 10:20 a.m.	Molson Coors Beverage Co. Gavin Hattersley, <i>Chief Executive Officer</i> Tracey Joubert, <i>Chief Financial Officer</i>	Flowers Foods Inc. Steve Kinsey, <i>Chief Financial Officer</i> JT Rieck, <i>EVP, Finance & IR</i>
10:30 – 11:10 a.m.	Fox Factory Holding Corp. Dennis Schemm, <i>Chief Financial Officer</i> Brendan Enick, <i>Chief Accounting Officer</i>	Tims China Greg Armstrong, <i>Director</i>
11:20 – 12:00 p.m.	Snap-On Incorporated Nick Pinchuk, <i>Chairman & Chief Executive Officer</i>	Hormel Foods Corporation Jacynth Smiley, <i>EVP & Chief Financial Officer</i> Mark Ourada, <i>Group Vice President, Foodservice</i>
12:10 – 12:50 p.m.	Credit market trends with BofA Fixed Income Analysts (<i>Terra Ballroom 1, Mezzanine</i>) Bill Reuter, <i>Managing Director, BofA Securities</i> Brian Callen, <i>Managing Director, BofA Securities</i> Moderators: Bryan Spillane, <i>Managing Director, BofA Securities</i> & Lorraine Hutchinson, <i>Managing Director, BofA Securities</i>	
4:10 p.m.	One-on-One and Small Group Meetings End	

Companies that participated in one-on-one and group meetings:

AirSculpt Technologies Inc.

Todd Magazine, *Chief Executive Officer*
 Aaron Rollins, *Executive Chairman*
 Dennis Dean, *Chief Financial Officer*
 Dean Schwartz, *LifeSci Advisors*
 Steven Halper, *Managing Director, IR*

American Eagle Outfitters Inc.

Mike Mathias, *Chief Financial Officer*
 Judy Meehan, *SVP, Corporate Communications & IR*
 Shirley Martin, *Senior Director, IR*

AutoZone Inc.

Jamere Jackson, *Chief Financial Officer*

Burlington Stores

David Glick, *Group SVP, Treasurer, IR, CSR/ESG & Procurement*
 Daniel Delrosario, *VP, IR & Treasury*

Celsius Holdings Inc.

Jarrold Langhans, *Chief Financial Officer*
 Paul Wiseman, *SVP, Communications*

Central Garden & Pet Co.

Brad Smith, *CFO Pet Segment*
 Friederike Edelmann, *VP, IR & Corporate Sustainability*

Chipotle Mexican Grill, Inc.

Cindy Olsen, *Head of IR*

Coca-Cola Europacific Partners

Nik Jhangiani, *Chief Financial Officer*
 Sarah Willett, *VP, IR & Corporate Strategy*
 Raj Sidhu, *Associate Director, IR & Corporate Strategy*

The Duckhorn Portfolio Inc.

Jennifer Fall Jung, *Chief Financial Officer*
 Sean Sullivan, *EVP, Chief Strategy & Legal Officer*
 Ben Avenia-Tapper, *Vice President, IR*

Floor & Décor Holdings Inc.

Bryan Langley, *EVP & Chief Financial Officer*
 Wayne Hood, *Vice President, IR*

Haleon PLC

Sonya Ghobrial, *Head of IR*

Hasbro

Kern Kapoor, *Senior Vice President, IR*

Heineken NV

Federico Castillo Martinez, *Director of Investor Relations*
 Mark Matthews, *IR*

Henkel AG & Co

Leslie Ittgen, *Head of IR*
 Jennifer Ott, *Senior Manager, IR*

Kenvue Inc.

Paul Ruh, *Chief Financial Officer*
 Tina Romani, *Head of Investor Relations*

Krispy Kreme

Stephanie Daukus, *Vice President, IR*
 Alexandre Eldredge, *Senior Manager, IR*

Pilgrim's Pride Corp

Matthew Galvanoni, *Chief Financial Officer*



Andrew Rojeski, *Head of Strategy, IR & Net Zero Programs*

Primo Water Holdings Inc.

Robbert Rietbroek, *Chief Executive Officer*
David Hass, *Chief Financial Officer*

Procter & Gamble Co.

John Chevalier, *Senior Vice President, IR*
Becky Kosina, *Vice President, IR*

Restaurant Brands International Inc.

Kendall Peck, *Head of Investor Relations*
Valerie Macaulay, *Senior Manager, IR*

Revolve Group, Inc.

Erik Randerson, *Vice President, IR*

SharkNinja Inc.

Mark Barrocas, *Chief Executive Officer*
Larry Flynn, *Interim CFO & CAO*
Arvind Bhatia, *Senior Vice President, IR*

Skechers USA Inc.

John Vandemore, *Chief Financial Officer*

Spectrum Brands Inc.

Jeremy Smeltser, *EVP & Chief Financial Officer*
Joanne Chomiak, *SVP, Corporate Tax & Treasury*

Sysco Corp

Kevin Kim, *IR*

Tapestry Inc.

Joanne Crevoiserat, *Chief Executive Officer*
Scott Roe, *Chief Financial Officer & Chief Operating Officer*
Christina Colone, *Global Head of IR*

The Kroger Co.

Rob Quast, *Senior Director of IR*

The TJX Companies, Inc.

John Klinger, *EVP, Chief Financial Officer*
Debra McConnell, *SVP, Global Communications*
Jeff Botte, *Vice President, IR*

The Vita Coco Company, Inc.

Martin Roper, *Chief Executive Officer*
Corey Baker, *Chief Financial Officer*
Alex Liscum, *IR*

Tyson Foods Inc.

Brady Stewart, *President, Beef & Pork Chief Supply Chain Officer*
Ash Bhumbra, *SVP, Operations F&A*
Rahul Ray, *Senior Director, Finance*

Urban Outfitters, Inc.

Oona McCullough, *Executive Director, IR*

Walmart Inc.

Steph Wissink, *SVP, Head of IR*
Kary Brunner, *Senior Director, IR*

Stocks mentioned

Prices and ratings for stocks mentioned in this report

BofA Ticker	Bloomberg ticker	Company name	Price	Rating
BJ	BJ US	BJ's Wholesale	US\$ 73.6	B-1-9
BURL	BURL US	Burlington Stores	US\$ 218.46	C-1-9
FWRG	FWRG US	First Watch	US\$ 24.21	C-1-9
FOXF	FOXF US	Fox Factory Holding	US\$ 47.29	C-2-9
HOG	HOG US	Harley-Davidson	US\$ 40.51	B-1-7
PTLO	PTLO US	Portillo's Inc.	US\$ 12.73	C-1-9
RL	RL US	Ralph Lauren	US\$ 182.26	B-1-7
SKX	SKX US	Skechers U.S.A.	US\$ 61.42	B-2-9
SYU	SYU US	Sysco	US\$ 80.03	B-1-7
TPR	TPR US	Tapestry Inc.	US\$ 47.35	B-1-7
TXRH	TXRH US	Texas Roadhouse	US\$ 152.93	B-1-7
KR	KR US	The Kroger Co.	US\$ 55.51	B-1-7
TJX	TJX US	TJX Companies	US\$ 98.63	B-1-7
UTZ	UTZ US	Utz Brands	US\$ 17.96	B-1-7
WMT	WMT US	Walmart	US\$ 61.02	A-1-7
XPOF	XPOF US	Xponential Fitness	US\$ 14.9	C-2-9

Price objective basis & risk**BJ's Wholesale Club Holdings (BJ)**

Our \$90 price objective is based on 20x our \$4.40 F26E adj. EPS, a discount to key warehouse club comparable COST (30-40x) and more in line with the food and discount retail group average (17-18x). We think a discount to COST is warranted given BJ's lower new store growth, lower same-store sales growth (low single digit vs. COST's mid- to high- single digit), and lower ROIC (approx. 20% vs. COST's approx. 30%). We believe BJ will trade more in line with the food and discount retail group avg. given support from: 1) BJ's membership fee structure, which provides increased visibility on earnings, 2) BJ's unique positioning as a grocery-focused warehouse club, and 3) our forecast for an approx. 4% EPS CAGR over the next three years (in-line with the discount and food retail group average of roughly 4% [ex-DLTR]).

Downside risks to our price objective: 1) Difficult stimulus-driven comparisons, 2) comp risk from continued pressure in general merchandise categories, 3) incremental supply chain pressures and other cost increases, 4) the unwinding of excess gas margin from 2021.

Burlington Stores (BURL)

Our price objective is \$250, based on 29x our F2025 earnings estimate. This is a premium to the off-price peer group (of 26x our F25) based on Burlington's potential for outsized margin growth.

Downside risks to our PO are weaker comps than we are modeling as the consumer is challenged with numerous pressures and lower gross margins on potentially higher markdowns.

First Watch (FWRG)

We believe FWRG should trade a premium consistent with its faster growth and higher returns. FWRG currently trades in line with its peer group of restaurants and retailers with similar above-market growth rates. We believe a valuation in line with other high growth peers is justified owing to FWRG's faster than average topline growth, extended growth runway, as the brand goes national, and higher incremental returns, with restaurant level ROIs of about 40% or 2x other full service restaurants. We apply a 15x



multiple to our forward EBITDA estimates (F25, \$134mm) to arrive at our \$31 PO. This target multiple is conservative relative to high growth peers' average of 17x.

Downside risks: higher-than-expected cannibalization of existing restaurants due to new store openings, staffing challenges and/or higher-than-expected wage inflation, higher-than-expected occupancy costs as First Watch ramps-up new stores at a faster rate.

Upside risks: higher-than-expected AUVs of new units, faster-than-expected SSS growth, lower labor and G&A costs.

Fox Factory Holding Corp (FOXF)

Our \$55 price objective is based on 13-14x our 2025E EPS estimate of \$4.05 (from 18-19X our C25 EPS of \$5.10). We believe a multiple in-line with other comparable bicycle, powersports and active lifestyle companies (trading at 15-20x) is warranted given FOXF's premium brand positioning, consistent history of product development, market share leadership position in the growing mountain bike suspension market, high return on invested capital (ROIC), supporting solid free cash flow generation, and highly defensible customer-focused business model.

Upside risks are accretive M&A, acceleration in end markets and better-than-expected share gains.

Downside risks are a slowdown in cycling or recreational vehicles demand could hurt demand for new components including suspension, key customer risk, and investments in R&D will likely mute SGA leverage, foreign currency translation risks, competition could pressure sales and margins, integration of M&A could take longer than expected, acquisition opportunities might not materialize, and entry into new geographies or categories could be challenging.

Harley-Davidson (HOG)

Our \$55 PO is based on 11-12x our F25 adj. EPS of \$4.75 (including Livewire), in line with powersports peers: (1) potential EPS upside on new model launches, (2) accelerating brand momentum, supported by a reset to a "Pull" market strategy (under new CEO Jochen Zeitz), (3) newly established leadership in Electric motorcycles and the creation of a dedicated EV division, and (4) the long-term opportunities for motorcycle division EBIT margin recovery to peak 15%+ and stronger International growth (including China).

Risks are that (1) aggregate on-highway new motorcycle units have been challenged historically, (2) the timing of a launch of a premium low displacement motorcycle for China remains uncertain, (3) rider safety remains a top concern for new joiners, and (4) HOG global dealerships are declining.

Portillo's Inc. (PTLO)

We set our \$25 PO based on steady state earnings power. We assume PTLO grows its store base at 13% to reach 725 stores in the long term, and that average volumes grow with inflation. At \$7.7 bb in sales, assuming stable RLMs and 8% G&A, PTLO would generate \$1.4 bb in EBITDA. Applying an 11x multiple and discounting back equates to a \$25 fair value in one year.

Risks to our PO: potential industry headwinds from wage inflation (MSD-HSD run rate for the industry) and food cost volatility, inability to fully offset downward pressure on volumes and margins from new store openings, and execution risks as the company looks to sustain a 10% unit growth rate.

Ralph Lauren (RL)

Our PO of \$207 is based on 11x FY25E EV/EBITDA, slightly higher than peers due to stronger margins and sales growth. We think RL should trade at a slight premium to

peers given its long-term brand value, strong balance sheet, and stronger margins.

Upside risks to our PO are a faster-than-expected sales turnaround, higher-than-expected benefits from ongoing cost savings initiatives, and significant improvements in the overall global apparel retail environment. Downside risks are worse-than-expected trends at wholesale, incremental US department store closures, higher-than-expected reinvestment spending, and deterioration in the global macro environment.

Skechers USA Inc (SKX)

Our \$67 PO is based on 17.5x P/E, a slight premium to the stock's historical average of 16x given our confidence in executing on sales growth but a discount to high growth footwear peers given the company's lower margin profile.

Upside risks to our PO are a faster than expected recovery in wholesale and in China.

Downside risks to our PO are a slowdown in footwear sales due to a weaker macro environment and a longer than expected recovery in wholesale.

Sysco Corporation (SYY)

Our \$91 price objective is based on roughly 18x our F25 adjusted EPS estimate of \$4.75. This is slightly above SYY's average two-year forward P/E of 17x over the last five years, but below its five-year high of 23x. It represents a premium to key foodservice distributor peers, which we believe is warranted given SYY's scale advantages, market share gains, higher margins, productivity improvements/supply chain transformation, lower leverage & higher dividend yield (SYY is a dividend aristocrat).

Downside risks are: 1) a highly competitive foodservice distribution industry with low switching costs, 2) risks associated with a macroeconomic slowdown or lower consumer confidence that could negatively affect food away from home consumption, 3) sales headwinds from product cost deflation or margin pressures from product cost inflation, 4) potential pressures on profitability from high fuel costs, and 5) inability to achieve productivity improvements, which could pressure operating margins.

Tapestry Inc. (TPR)

Our \$52 price objective is based on an EV/EBITDA of 8x our F2025 estimates. We think the company's robust total shareholder return plans, turnaround potential at its new brands, growth potential in Kate Spade, and continued strong margins and cash flow warrant a higher multiple (vs peer group avg of 7x).

Downside risks to our price objective are: troubles integrating the Kors business, significant weakness in NA consumer, potential slowing of Coach comps, deterioration of the Kate Spade comp and margins, and the disruption caused by global macro uncertainty.

Upside risks to our price objective are: immediate consumer acceptance of the new product, accelerating trends in outlet, faster recovery in China.

Texas Roadhouse (TXRH)

We view TXRH's 5-year average of 1.3x (excluding COVID spike) as the appropriate target multiple given TXRH's best-in-class traffic trends and topline growth and our expectations for further operating leverage. Our PO of \$160 is based on a relative multiple of 1.3x (vs the S&P 500 index, or a 24.4x absolute multiple) on our 12-month forward EPS (F25, \$6.54).

Downside risks are: i) lower-than-expected retail beef prices and as a result, decreased value proposition for steakhouses, ii) traffic growth deceleration in response to menu price increases, iii) greater than expected slowdown in consumer spending /



macroeconomic risk pressuring discretionary income, iv) slower than expected unit growth at Texas Roadhouse.

The Kroger Co. (KR)

Our PO of \$70 is based on roughly 15x our F2026E EPS of \$4.55, a premium to conventional supermarket peers given our outlook for continued momentum from fresh, Our Brands, personalization & seamless initiatives, but a discount to the Food Retailers & Discount Stores group avg. (18-20x) given KR's lack of general merchandise offering that we think supports a higher multiple for key digital competitors.

We see upside to KR's valuation from strategic initiatives (including fresh, Our Brands & digital), alternative profit streams & continued cost savings execution.

Downside risks to our PO are greater-than-expected headwinds from pharmacy, fuel, the build-out of the Ocado network, and employee wage/healthcare benefits as well as potential for deflation or accelerating industry promotions.

TJX Companies (TJX)

Our price objective of \$115 reflects a P/E of 26x our F2026 (C2025) estimates. We believe TJX deserves to trade at a premium to specialty retailers (average 19x) as it has outperformed the retail industry domestically, has a solid international growth opportunity, significant square footage growth potential, a strong track record of returning excess cash to shareholders in a normalized environment, and high returns on invested capital.

Downside risks to our PO are weaker comps than we model, margin pressure as TJX absorbs wage and supply chain expenses, macro pressures weighing on consumer demand, as well as potential weakness in Europe.

Utz Brands (UTZ)

Our \$22 PO is based on 18.0x CY25 EV/EBITDA estimate. At this multiple, we value shares of UTZ at a premium to "platform companies" and companies that compete in the salty snack category given what we believe is an embedded take-out premium. Our target multiple of 18.0x is in line with past snack transactions - Hostess (17.2x X synergies), Dot's Pretzels (17.3x) and Snyder's-Lane (19.9x).

Upside risks are 1) faster category/brand growth vs peers and market share gains, 2) better-than-modeled cost synergies and 3) deflationary cost basket

Downside risks are 1) bigger-than-expected volume hit from price increases, 2) geographic expansion faces challenges, 3) cost synergies do not achieve targets

Walmart Inc (WMT)

Our \$67 price objective is based on 27x our F26E adj. EPS of \$2.50, which is above WMT's average 2-year forward P/E multiple of roughly 21x but in line with a high of 27x over the past 5 years. Our multiple reflects an outlook for positive US comps (with positive traffic), omni-channel momentum, and healthy free cash generation. This P/E is more in line with other high-performing retailers but still a discount to other global ecommerce retailers.

Downside risks to our PO are the impacts of FX, pharmacy headwinds, slowing food inflation or deflation, Walmart's longer-term ability to continue gaining incremental market share given its large size, a weakening global retailing environment, competitive pressures at Sam's Club and/or Walmart International.

Xponential Fitness (XPOF)

Our \$15.50 PO is based on an enterprise value of 7-8X our 2025E EBITDA estimate, in-line to slightly below other high quality franchise peers given risk of slowing unit growth.

Risks to the downside are: (1) Xponential operates in a highly competitive U.S. boutique fitness market with other high growth competitors including F45 & Orangetheory, (2) resurgence of at home fitness, including Peloton, could pressure demand for boutique fitness, (3) Xponential has a relatively high membership turnover rate (HSD%) with a low customer lifespan (11 month), and (4) more challenging macroeconomic environment could pressure overall fitness discretionary spend.

Risks to the upside are: (1) momentum at Club Pilates & StretchLab could help offset more challenging trends at other key brands, (2) Rumble & BFT could begin to drive strong average unit volumes as they scale, and (3) continued consolidation in the boutique fitness market could lead to share gains for XPOF.

Analyst Certification

We, Alexander Perry, Christopher Nardone, Kendall Toscano, Lorraine Hutchinson, CFA, Peter T. Galbo, CFA, Robert F. Ohmes, CFA and Sara Senatore, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

US - Broadlines, Hardlines, Food Retailers & Leisure Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Academy Sports + Outdoors	ASO	ASO US	Robert F. Ohmes, CFA
	Arhaus, Inc	ARHS	ARHS US	Robert F. Ohmes, CFA
	BJ's Wholesale Club Holdings	BJ	BJ US	Robert F. Ohmes, CFA
	Costco Wholesale Corporation	COST	COST US	Robert F. Ohmes, CFA
	Grocery Outlet Holding Corp.	GO	GO US	Robert F. Ohmes, CFA
	Harley-Davidson	HOG	HOG US	Alexander Perry
	Life Time	LTH	LTH US	Alexander Perry
	Mattel	MAT	MAT US	Alexander Perry
	Mister Car Wash	MCW	MCW US	Robert F. Ohmes, CFA
	O'Reilly Automotive, Inc.	ORLY	ORLY US	Robert F. Ohmes, CFA
	Planet Fitness, Inc.	PLNT	PLNT US	Alexander Perry
	Sprouts Farmers Market, Inc.	SFM	SFM US	Robert F. Ohmes, CFA
	Sysco Corporation	SY	SY US	Kendall Toscano
	Target Corp.	TGT	TGT US	Robert F. Ohmes, CFA
	The Kroger Co.	KR	KR US	Robert F. Ohmes, CFA
	Topgolf Callaway Brands Corp	MODG	MODG US	Alexander Perry
	Upbound Group Inc.	UPBD	UPBD US	Vicky Liu
	Walmart Inc	WMT	WMT US	Robert F. Ohmes, CFA
NEUTRAL				
	Dick's Sporting Goods	DKS	DKS US	Robert F. Ohmes, CFA
	Fox Factory Holding Corp	FOXF	FOXF US	Alexander Perry
	Hasbro	HAS	HAS US	Alexander Perry
	Williams-Sonoma	WSM	WSM US	Robert F. Ohmes, CFA
	Xponential Fitness	XPOF	XPOF US	Alexander Perry
	YETI Holdings, Inc.	YETI	YETI US	Robert F. Ohmes, CFA
UNDERPERFORM				
	Advance Auto Parts, Inc.	AAP	AAP US	Robert F. Ohmes, CFA
	Canada Goose Holdings Inc	YGOOS	GOOS CN	Alexander Perry
	Canada Goose Holdings Inc	GOOS	GOOS US	Alexander Perry
	Columbia Sportswear	COLM	COLM US	Alexander Perry
	Dollar General Corporation	DG	DG US	Robert F. Ohmes, CFA
	Dollar Tree, Inc.	DLTR	DLTR US	Robert F. Ohmes, CFA
	Hibbett Sports, Inc.	HIBB	HIBB US	Alexander Perry
	National Vision	EYE	EYE US	Robert F. Ohmes, CFA
	Tractor Supply Company	TSCO	TSCO US	Robert F. Ohmes, CFA

US - Restaurants Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Chipotle Mexican Grill	CMG	CMG US	Sara Senatore
	Darden Restaurants	DRI	DRI US	Sara Senatore
	Domino's Pizza	DPZ	DPZ US	Sara Senatore
	Dutch Bros	BROS	BROS US	Sara Senatore
	First Watch	FWRG	FWRG US	Sara Senatore
	Jack in the Box	JACK	JACK US	Sara Senatore
	Krispy Kreme	DNUT	DNUT US	Sara Senatore
	Papa John's International	PZZA	PZZA US	Sara Senatore
	Portillo's Inc.	PTLO	PTLO US	Sara Senatore
	Starbucks	SBUX	SBUX US	Sara Senatore
	Sweetgreen	SG	SG US	Katherine Griffin
	Texas Roadhouse	TXRH	TXRH US	Sara Senatore
	Wingstop Inc	WING	WING US	Sara Senatore
NEUTRAL				
	Bloomin Brands	BLMN	BLMN US	Sara Senatore
	McDonald's	MCD	MCD US	Sara Senatore
	Shake Shack	SHAK	SHAK.US	Sara Senatore
	The Cheesecake Factory	CAKE	CAKE US	Katherine Griffin
	Yum Brands Inc	YUM	YUM US	Sara Senatore

US - Restaurants Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
UNDERPERFORM	Brinker International	EAT	EAT US	Katherine Griffin
	Cracker Barrel	CBRL	CBRL US	Katherine Griffin
	Restaurant Brands International	YQSR	QSR CN	Sara Senatore
	Restaurant Brands International Inc.	QSR	QSR US	Sara Senatore
	Wendy's Co	WEN	WEN US	Sara Senatore

US - Softline Retailing and Dept Stores Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY	Amer Sports Inc	AS	AS US	Lorraine Hutchinson, CFA
	Bath & Body Works Inc	BBWI	BBWI US	Lorraine Hutchinson, CFA
	Burlington Stores	BURL	BURL US	Lorraine Hutchinson, CFA
	Crocs, Inc.	CROX	CROX US	Christopher Nardone
	Deckers Outdoor Corp	DECK	DECK US	Christopher Nardone
	European Wax Center	EWZ	EWZ US	Lorraine Hutchinson, CFA
	lululemon athletica Inc	LULU	LULU US	Lorraine Hutchinson, CFA
	Oddity Tech	ODD	ODD US	Lorraine Hutchinson, CFA
	PVH Corp	PVH	PVH US	Christopher Nardone
	Ralph Lauren	RL	RL US	Christopher Nardone
	Ross Stores Inc	ROST	ROST US	Lorraine Hutchinson, CFA
	Tapestry Inc.	TPR	TPR US	Lorraine Hutchinson, CFA
	TJX Companies	TJX	TJX US	Lorraine Hutchinson, CFA
	Urban Outfitters	URBN	URBN US	Lorraine Hutchinson, CFA
NEUTRAL	American Eagle	AEO	AEO US	Christopher Nardone
	Birkenstock	BIRK	BIRK US	Lorraine Hutchinson, CFA
	FIGS, Inc.	FIGS	FIGS US	Alice Xiao
	Foot Locker	FL	FL US	Lorraine Hutchinson, CFA
	Levi Strauss & Co.	LEVI	LEVI US	Christopher Nardone
	Nike	NKE	NKE US	Lorraine Hutchinson, CFA
	Signet Jewelers	SIG	SIG US	Lorraine Hutchinson, CFA
	Skechers USA Inc	SKX	SKX US	Christopher Nardone
	Ulta Beauty	ULTA	ULTA US	Lorraine Hutchinson, CFA
	Under Armour Inc	UAA	UAA US	Lorraine Hutchinson, CFA
UNDERPERFORM	Aritzia	YATZ	ATZ CN	Alice Xiao
	Aritzia	ATZAF	ATZAF US	Alice Xiao
	Carter's Inc	CRI	CRI US	Christopher Nardone
	Gap Inc.	GPS	GPS US	Lorraine Hutchinson, CFA
	Kohl's	KSS	KSS US	Lorraine Hutchinson, CFA
	Nordstrom	JWN	JWN US	Lorraine Hutchinson, CFA
	Revolve	RVLV	RVLV US	Alice Xiao
	V F Corp	VFC	VFC US	Lorraine Hutchinson, CFA
	Victoria's Secret & Co	VSCO	VSCO US	Alice Xiao
RSTR	Macy's	M	M US	Lorraine Hutchinson, CFA

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



US - Consumables Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	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
	Utz Brands	UTZ	UTZ US	Peter T. Galbo, CFA

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 Hershey Company	HSY	HSY US	Bryan D. Spillane
	The Vita Coco Company, Inc.	COCO	COCO US	Bryan D. Spillane
	Tyson Foods, Inc.	TSN	TSN 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 Ltd	HLF	HLF US	Anna Lizzul
	Hormel Foods Corp.	HRL	HRL US	Peter T. Galbo, CFA
	Kimberly-Clark	KMB	KMB US	Anna Lizzul
	The Duckhorn Portfolio, Inc.	NAPA	NAPA US	Peter T. Galbo, CFA

Disclosures

Important Disclosures

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: Industrials/Multi-Industry Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	45	50.56%	Buy	25	55.56%
Hold	26	29.21%	Hold	13	50.00%
Sell	18	20.22%	Sell	7	38.89%

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

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	16	55.17%	Buy	9	56.25%
Hold	7	24.14%	Hold	5	71.43%
Sell	6	20.69%	Sell	4	66.67%

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

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	21	58.33%	Buy	10	47.62%
Hold	10	27.78%	Hold	3	30.00%
Sell	5	13.89%	Sell	4	80.00%

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

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	96	57.83%	Buy	39	40.63%
Hold	32	19.28%	Hold	12	37.50%
Sell	38	22.89%	Sell	18	47.37%

Equity Investment Rating Distribution: Textiles/Apparel Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	13	52.00%	Buy	8	61.54%
Hold	6	24.00%	Hold	3	50.00%
Sell	6	24.00%	Sell	2	33.33%

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.

INCOME RATINGS, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure), 8 - same/lower (dividend not considered to be secure) and 9 - pays no cash dividend. **Coverage Cluster** is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent BofA Global Research report referencing the stock.

Price Charts for the securities referenced in this research report are available on the [Price Charts website](#), or call 1-800-MERRILL to have them mailed.

One or more analysts contributing to this report owns stock of the covered issuer: BJ's Wholesale Club, First Watch, Ralph Lauren, Sysco Corporation, Walmart BofAS or one of its affiliates acts as a market maker for the equity securities recommended in the report: BJ's Wholesale, Burlington Stores, First Watch, Fox Factory Holding, Harley-Davidson, Portillo's Inc., Ralph Lauren, Skechers U.S.A., Sysco, Tapestry Inc., Texas Roadhouse, The Kroger Co., TJX Companies, Utz Brands, Walmart, Xponential Fitness. BofAS or an affiliate was a manager of a public offering of securities of this issuer within the last 12 months: Portillo's Inc., Sysco Corporation, Tapestry Inc., Walmart. The issuer is or was, within the last 12 months, an investment banking client of BofAS and/or one or more of its affiliates: Burlington Stores, First Watch, Fox Factory Holding, Harley-Davidson, Portillo's Inc., Ralph Lauren, Sysco Corporation, Tapestry Inc., The Kroger Co., TJX Cos. Inc., Utz Brands, Walmart, Xponential Fitness. BofAS or an affiliate has received compensation from the issuer for non-investment banking services or products within the past 12 months: BJ's Wholesale Club, Burlington Stores, First Watch, Fox Factory Holding, Harley-Davidson, Portillo's Inc., Ralph Lauren, Skechers U.S.A. Inc., Sysco Corporation, Tapestry Inc., The Kroger Co., TJX Cos. Inc., Utz Brands, Walmart, Xponential Fitness. The issuer is or was, within the last 12 months, a non-securities business client of BofAS and/or one or more of its affiliates: BJ's Wholesale Club, Burlington Stores, First Watch, Fox Factory Holding, Harley-Davidson, Portillo's Inc., Ralph Lauren, Skechers U.S.A. Inc., Sysco Corporation, Tapestry Inc., The Kroger Co., TJX Cos. Inc., Utz Brands, Walmart. BofAS or an affiliate has received compensation for investment banking services from this issuer within the past 12 months: Burlington Stores, First Watch, Fox Factory Holding, Harley-Davidson, Portillo's Inc., Ralph Lauren, Sysco Corporation, Tapestry Inc., TJX Cos. Inc., Utz Brands, Walmart, Xponential Fitness. BofAS or an affiliate expects to receive or intends to seek compensation for investment banking services from this issuer or an affiliate of the issuer within the next three months: Burlington Stores, First Watch, Harley-Davidson, Ralph Lauren, Sysco Corporation, Tapestry Inc., The Kroger Co., TJX Cos. Inc., Utz Brands, Walmart. BofAS together with its affiliates beneficially owns one percent or more of the common stock of this issuer. If this report was issued on or after the 9th day of the month, it reflects the ownership position on the last day of the previous month. Reports issued before the 9th day of a month reflect the ownership position at the end of the second month preceding the date of the report: BJ's Wholesale Club, Portillo's Inc., Ralph Lauren, Skechers U.S.A. Inc., Sysco Corporation, Tapestry Inc., Texas Roadhouse, TJX Cos. Inc. BofAS or one of its affiliates is willing to sell to, or buy from, clients the common equity of the issuer on a principal basis: BJ's Wholesale, Burlington Stores, First Watch, Fox Factory Holding, Harley-Davidson, Portillo's Inc., Ralph Lauren, Skechers U.S.A., Sysco, Tapestry Inc., Texas Roadhouse, The Kroger Co., TJX Companies, Utz Brands, Walmart, Xponential Fitness.



The issuer is or was, within the last 12 months, a securities business client (non-investment banking) of BofAS and/or one or more of its affiliates: BJ's Wholesale Club, Burlington Stores, First Watch, Fox Factory Holding, Harley-Davidson, Portillo's Inc., Ralph Lauren, Skechers U.S.A. Inc., Sysco Corporation, Tapestry Inc., The Kroger Co., TJX Cos. Inc., Utz Brands, Walmart, Xponential Fitness.

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