

## BHP Group Limited

# 1H FY24 result first take: EBITDA and dividend in line, Nickel business in focus

Maintain Rating: BUY | PO: 53.00 AUD | Price: 46.04 AUD

## 1H FY24 EBITDA and dividend in line, Nickel in focus

BHP has reported 1H FY24 results with underlying EBITDA of \$13.9bn, in line with consensus and BofA of \$14.0bn. Underlying EPS of 129.6 UScps, in-line with consensus of 130 UScps (-3% vs BofAe 134 UScps). BHP declared an interim dividend of 72 UScps (56% payout) vs consensus of 70 UScps (54% payout) and BofAe of 74 UScps. Net debt of \$12.6bn at 31 Dec-23, in the upper half of the \$5-15bn net debt target range hence the lower dividend payout ratio (vs 1H FY23). FY24 guidance for unit costs, production and capex is unchanged. Capex guidance for FY25 and medium term is also unchanged. Analyst conference call today at 10:30am AEDT. An area of focus on the call is expected to be the future of the unprofitable Western Australian Nickel business unit given the structural change in the global nickel market resulting in low prices. We maintain our Buy rating and A\$53.00/sh price objective with 20% potential TSR.

### Exhibit 1: 1H FY24 result summary

Results were in line with consensus and BofA estimates

HY Results	Unit	1H23	2H23	1H24	HoH	YoY	Cons. Est.	vs Cons.	BofA Est.	vs BofA
Underlying EBITDA	US\$b	13.2	14.7	13.9	-6%	5%	14.0	-1%	14.0	-1%
Underlying EBIT	US\$b	10.8	12.0	10.8	-11%	0%	11.2	-4%	11.2	-4%
Underlying Profit	US\$b	6.6	6.8	6.6	-3%	0%	6.6	1%	6.8	-3%
Underlying EPS	US cps	129.8	134.1	129.6	-3%	0%	130	0%	134	-3%
DPS	US cps	90.0	80.0	72.0	-10%	-20%	70	3%	74	-2%
Payout ratio	US cps	69%	60%	56%	-7%	-20%	54%	3%	55%	1%
<b>Segment EBITDA</b>										
Copper	US\$b	2.8	3.8	3.5	-9%	24%	3.4	4%	3.5	-1%
Iron Ore	US\$b	7.6	9.0	9.7	7%	27%	9.7	0%	9.8	-1%
Coal	US\$b	2.6	2.4	1.0	-58%	-62%	1.2	-15%	0.9	9%
Group & unallocated	US\$b	0.1	-0.4	-0.2	-53%	-278%	-0.3	-	0.3	-

Source: BofA Global Research estimates, BHP, Visible Alpha

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Estimates (Jun)	2022A	2023A	2024E	2025E	2026E
EPS (Reported b/f exceptionals - US\$)	4.434	2.579	3.128	2.616	2.479
EPS (Reported b/f exceptionals - A\$)	6.380	3.902	4.859	4.058	3.863
Dividend / Share (US\$)	3.250	1.700	1.720	1.439	1.364
Dividend / Share (A\$)	4.676	2.572	2.673	2.232	2.125
<b>Valuation (Jun)</b>					
P/E	7.1x	11.6x	9.5x	11.4x	12.0x
Dividend Yield	10.9%	5.7%	5.8%	4.8%	4.6%
EV / EBITDA*	3.8x	5.6x	5.0x	5.5x	5.7x
Free Cash Flow Yield*	15.4%	7.7%	7.7%	7.1%	7.0%

\* For full definitions of *IQmethod*<sup>SM</sup> measures, see page 6.

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**Refer to important disclosures on page 7 to 10. Analyst Certification on page 4. Price Objective Basis/Risk on page 4.**

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### Equity

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### Stock Data

Price (ASX Ord / ADR / UK Ord)	46.04 AUD / 60.34 USD / 2,378 GBp
Price Objective	53.00 AUD / 65.00 USD / 2,600 GBp
Date Established	15-Feb-2024 / 15-Feb-2024 / 15-Feb-2024
Investment Opinion	B-1-7 / B-1-7 / B-1-7
52-Week Range	41.66 AUD-50.84 AUD
Market Value (mn)	152,186 USD
Market Value (mn)	232,824 AUD
Shares Outstanding (mn)	5,057.0 / 2,528.5 / 5,057.0
Average Daily Value (mn)	251.98 USD
Free Float	100.0%
BofA Ticker / Exchange	BHPLF / ASX
BofA Ticker / Exchange	BHP / NYS
BofA Ticker / Exchange	ZBHPF / LSE
Bloomberg / Reuters	BHP AU / BHPAX
ROE (2024E)	34.2%
Net Dbt to Eqty (Jun-2023A)	20.4%

# iQprofile<sup>SM</sup> BHP Group Limited

Key Income Statement Data (Jun)	2022A	2023A	2024E	2025E	2026E
(US\$ Millions)					
<b>Sales</b>	<b>66,050</b>	<b>54,211</b>	<b>58,241</b>	<b>53,534</b>	<b>52,668</b>
Operating Expenses	-26,688	-26,812	-33,704	-25,207	-25,386
<b>EBITDA</b>	<b>40,634</b>	<b>27,956</b>	<b>31,137</b>	<b>28,328</b>	<b>27,282</b>
Depreciation & Amortization	-5,683	-5,061	-5,302	-5,528	-5,336
<b>EBIT</b>	<b>34,951</b>	<b>22,895</b>	<b>25,835</b>	<b>22,799</b>	<b>21,946</b>
Net Interest & Other income	-969	-1,531	-981	-958	-654
Pretax Income	34,089	21,401	18,860	22,534	22,019
Tax (expense) / Benefit	-10,737	-7,077	-6,402	-7,482	-7,298
Minorities	-2,155	-1,403	-1,106	-1,805	-2,167
<b>Net Income (Reported b/f Exceptionals)</b>	<b>21,197</b>	<b>12,921</b>	<b>11,352</b>	<b>13,246</b>	<b>12,555</b>
Exceptional Items (After Tax)	107	37	-5,994	692	728

<b>Key Cash Flow Statement Data</b>					
Net Income (Reported)	31,852	12,921	11,352	13,246	12,555
Depreciation & Amortization	-5,683	-5,061	-5,302	-5,528	-5,336
Change in Working Capital	-841	-263	-366	326	81
Deferred Taxation Charge	0	0	0	0	0
Other Adjustments, Net	1,339	-552	4,977	515	519
<b>Cash Flow from Operations</b>	<b>29,285</b>	<b>18,701</b>	<b>21,551</b>	<b>20,408</b>	<b>19,296</b>
Capital Expenditure	-6,111	-7,083	-9,995	-9,722	-8,676
(Acquisition) / Disposal of Investments	-537	-6,720	0	0	0
Other Cash inflow / (Outflow)	1,675	738	1,050	333	333
<b>Cash Flow from Investing</b>	<b>-4,973</b>	<b>-13,065</b>	<b>-8,945</b>	<b>-9,388</b>	<b>-8,343</b>
Shares Issue / (Repurchase)	NA	NA	NA	NA	NA
Cost of Dividends Paid	-17,851	-13,268	-7,802	-8,890	-7,014
<b>Cash Flow from Financing</b>	<b>-22,734</b>	<b>-10,315</b>	<b>-9,019</b>	<b>-10,325</b>	<b>-9,226</b>
<b>Free Cash Flow</b>	<b>23,174</b>	<b>11,618</b>	<b>11,556</b>	<b>10,687</b>	<b>10,619</b>
<b>Net Debt</b>	<b>333</b>	<b>9,917</b>	<b>6,331</b>	<b>5,636</b>	<b>3,909</b>
Change in Net Debt	-5,404	9,584	-3,586	-695	-1,727

<b>Key Balance Sheet Data</b>					
Cash & Equivalents	17,236	12,428	16,014	16,709	18,436
Other Current Assets	1,067	1,109	1,109	1,109	1,109
Property, Plant & Equipment	61,295	71,818	68,374	71,715	74,189
Investments	802	1,115	1,115	1,115	1,115
<b>Total Assets</b>	<b>95,166</b>	<b>101,296</b>	<b>104,110</b>	<b>107,243</b>	<b>111,394</b>
Short-Term Debt	2,594	7,173	7,173	7,173	7,173
Other Current Liabilities	14,325	11,870	11,939	11,493	11,535
Long-Term Debt	14,975	15,172	15,172	15,172	15,172
Other Non-Current Liabilities	14,506	18,555	17,862	16,714	15,327
<b>Total Liabilities</b>	<b>46,400</b>	<b>52,766</b>	<b>52,141</b>	<b>50,548</b>	<b>49,203</b>
Net Asset	48,766	48,530	51,969	56,695	62,191
Minorities	3,809	4,034	3,923	4,293	4,248
Shareholder Funds	44,957	44,496	48,046	52,402	57,943

<b>iQmethod<sup>SM</sup> - Bus Performance*</b>					
Return On Average Assets	34.3%	23.3%	25.2%	21.6%	20.1%
Return on Equity	46.6%	29.2%	34.2%	26.4%	22.8%
EBIT Margin	55.5%	42.6%	34.1%	43.9%	43.0%
EBITDA Margin	61.7%	51.6%	43.2%	54.2%	53.2%

<b>iQmethod<sup>SM</sup> - Quality of Earnings*</b>					
Price / EBITDA	3.7x	5.4x	4.8x	5.3x	5.5x
Price / Free Cash Flow	6.6x	13.1x	13.2x	14.3x	14.4x
Tax Rate (Effective)	31.5%	33.1%	33.9%	33.2%	33.1%
Net Debt-to-Equity Ratio	0.7%	20.4%	12.2%	9.9%	6.3%
Interest Cover (EBITDA Basis)	38.7x	13.6x	21.4x	19.5x	24.4x

<b>Key Metrics</b>					
Franking (%)	100%	100%	100%	100%	100%

\* For full definitions of iQmethod<sup>SM</sup> measures, see page 6.

## Company Sector

Non-Ferrous-Mining

## Company Description

BHP is the world's largest mining company and a top 3 global producer of iron ore, metallurgical coal and copper in concentrate. BHP has some of the world's best undeveloped resources and it is this inventory of resources & growth projects that we expect will allow the company to maintain its position as a leading global resource company.

## Investment Rationale

BHP is a diversified miner which provides greater earnings stability and less volatile cash flows vs. pure play mining companies. Earnings are driven by price and production and shares tend to trade according to earnings and NPV expectations. BHP's assets are low-cost and longer-life "franchise" assets, so the company has less sensitivity to prices than many of its peers.

## Stock Data

Shares / ADR	2.00
Price to Book Value	3.2x

# 1H FY24 results in line

## Exhibit 2: 1H FY24 results summary

Results were in line with consensus estimates

HY Results	Unit	1H23	2H23	1H24	HoH	YoY	Cons. Est.	vs Cons.	BofA Est.	vs BofA
Underlying EBITDA	US\$b	13.2	14.7	13.9	-6%	5%	14.0	-1%	14.0	-1%
Underlying EBIT	US\$b	10.8	12.0	10.8	-11%	0%	11.2	-4%	11.2	-4%
Underlying Profit	US\$b	6.6	6.8	6.6	-3%	0%	6.6	1%	6.8	-3%
Underlying EPS	US cps	129.8	134.1	129.6	-3%	0%	130	0%	134	-3%
DPS	US cps	90.0	80.0	72.0	-10%	-20%	70	3%	74	-2%
Payout ratio	US cps	69%	60%	56%	-7%	-20%	54%	3%	55%	1%
<b>Segment EBITDA</b>										
Copper	US\$b	2.8	3.8	3.5	-9%	24%	3.4	4%	3.5	-1%
Iron Ore	US\$b	7.6	9.0	9.7	7%	27%	9.7	0%	9.8	-1%
Coal	US\$b	2.6	2.4	1.0	-58%	-62%	1.2	-15%	0.9	9%
Group & unallocated	US\$b	0.1	-0.4	-0.2	-53%	-278%	-0.3	-	0.3	-

Source: BofA Global Research estimates, BHP, Visible Alpha

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## Exhibit 3: FY24 production guidance

FY24 production guidance is unchanged

FY24 Production Guidance	Unit	Notes	FY23A	FY24 BofAe	BofA vs Guidance
Copper	Kt	Unchanged	1,777	1,819	0.2%
Escondida	Kt	Unchanged	1,055	1,117	-1.1%
Pampa Norte	Kt	Unchanged	289	250	8.6%
South Australia	Kt	Unchanged	232	321	-1.2%
Antamina	Kt	Unchanged	138	127	-2.5%
Iron Ore (Equity %)	Mt	Unchanged	254	259	0.0%
WAIO (100% basis)	Mt	Unchanged	281	287	-0.4%
Metallurgical Coal (Equity %)	Mt	Unchanged	26.7	25	2.9%
NSW Energy Coal	Mt	Unchanged	16.2	15	3.6%
Nickel	kt	Unchanged	81.4	81	-1.2%

Source: BofA Global Research estimates, BHP

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## Exhibit 4: FY24 Unit cost guidance

Cost guidance is unchanged

FY24 Cost Guidance	Unit	FY23A	FY24 Guidance	FY24 BofAe	BofA vs Guidance
Escondida	US\$/lb	1.4	1.4-1.7	1.56	1%
Spence	US\$/t	2.1	2-2.3	2.20	2%
WA Iron Ore *	US\$/t	17.8	17.4-18.9	17.74	-2%
BMA Unit cost	US\$/t	96.5	110-116	112.84	0%

Source: BofA Global Research estimates, BHP

\*Based on AUD/USD of 0.67

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## Price objective basis & risk

### BHP Group Limited (BHPLF / BHP)

Our price objective of A\$53.0/share (US\$65.0/share) represents approximately 1.0x our DCF-derived NPV. Our DCF is based on BofA commodity price forecasts and assumes a 9% discount rate. Diversified miners have historically traded in a range of 0.7-1.4x NPV with lower multiples paid during periods of economic slowdown and higher multiples paid during periods of rising commodity prices and earnings.

Downside (upside) risks to our price objective are: Global economic slowdown (growth), volatility in commodity prices, operational risks associated with mining, project execution risk, currency pressures and mining cost inflation (deflation).

### BHP Group Limited (ZBHPF)

Our price objective of 2,600 GBp represents approximately 1.0x our DCF-derived NPV. Our DCF is based on BofA commodity price forecasts and assumes a 9% discount rate. Diversified miners have historically traded in a range of 0.7-1.4x NPV with lower multiples paid during periods of economic slowdown and higher multiples paid during periods of rising commodity prices and earnings.

Downside (upside) risks to our price objective are: Global economic slowdown (growth), volatility in commodity prices, operational risks associated with mining, project execution risk, currency pressures and mining cost inflation (deflation).

## Analyst Certification

I, James Redfern, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

## Special Disclosures

BofA Securities is currently acting as Financial Advisor and Financer to Whitehaven Coal Ltd in connection with its proposed acquisition of Daunia and Blackwater coal mines from BHP Group and Mitsubishi Development Pty Ltd, which was announced on 18 Oct 2023.

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### Australia - Materials & Industrials Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY	29Metals Limited	XMLNF	29M AU	James Redfern
	AGL Energy	AGLNF	AGL AU	Reinhardt van der Walt
	APA Group	APAJF	APA AU	Reinhardt van der Walt
	BHP Group Limited	BHPLF	BHP AU	James Redfern
	BHP Group Limited	ZBHPF	BHP LN	James Redfern
	BHP Group-ADR	BHP	BHP US	James Redfern
	BlueScope	BLSFF	BSL AU	Chen Jiang
	Boral Ltd	BOALF	BLD AU	Shaurya Visen
	Boss Energy	BQSSF	BOE AU	Cameron Taylor
	Brambles Limited	BMBLF	BXB AU	Reinhardt van der Walt
	Champion Iron	CIAFF	CIA AU	Chen Jiang
	Champion Iron	YCIA	CIA CN	Chen Jiang
	Coronado	CODQL	CRN AU	Chen Jiang

**Australia - Materials & Industrials Coverage Cluster**

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Evolution Mining	CAHPF	EVN AU	Meredith Schwarz
	Gold Road Resources	ELKMF	GOR AU	Meredith Schwarz
	GWA Group	GWAXF	GWA AU	Shaurya Visen
	Incitec Pivot	ICPVF	IPL AU	Reinhardt van der Walt
	Mineral Resources	MALRF	MIN AU	Matt Chalmers, CFA
	Monadelphous	MDPHF	MND AU	Josephine Forde
	Nickel Industries	NICMF	NIC AU	Cameron Taylor
	Northern Star Resources	NESRF	NST AU	Meredith Schwarz
	NRW Holdings	NRWWF	NWH AU	Josephine Forde
	Nufarm	NUFMF	NUF AU	Reinhardt van der Walt
	Orica	OCLDF	ORI AU	Reinhardt van der Walt
	Origin Energy	OGFGF	ORG AU	Reinhardt van der Walt
	Orora	ORRAF	ORA AU	Roy Harrison
	Paladin Energy	PALAF	PDN AU	Cameron Taylor
	Regis Resources	RGRNF	RRL AU	Meredith Schwarz
	Reliance Worldwide Corporation Limited	RLLWF	RWC AU	Shaurya Visen
	Rio Tinto Ltd	RTNTF	RIO AU	James Redfern
	Seven Group Holdings	XSEVF	SVW AU	Shaurya Visen
	South32 Ltd	SHTLF	S32 AU	James Redfern
	South32 Ltd	XKTPF	S32 LN	James Redfern
	South32 Ltd	XMWTF	S32 SJ	James Redfern
	Ventia	VVXGF	VNT AU	Roy Harrison
	Whitehaven Coal Limited	WHITF	WHC AU	Chen Jiang
	Worley Limited	WYGPF	WOR AU	Cameron Taylor
<b>NEUTRAL</b>				
	Codan	CODAF	CDA AU	Sriharsh Singh
	CSR Limited	CSRLF	CSR AU	Shaurya Visen
	Deterra Royalties	DETRF	DRR AU	Chen Jiang
	Downer EDI Limited	DNERF	DOW AU	Roy Harrison
	Fletcher Building	FRCEF	FBU NZ	Shaurya Visen
	Fletcher Building	YFLBF	FBU AU	Shaurya Visen
	Pilbara Minerals	PILBF	PLS AU	Matt Chalmers, CFA
	Qube Holdings	QUBHF	QUB AU	Reinhardt van der Walt
	Reece Limited	REECF	REH AU	Shaurya Visen
	Sandfire Resources	SFRRF	SFR AU	Matt Chalmers, CFA
	Sims Limited	SMUPF	SGM AU	Chen Jiang
	Transurban Group	XTRAF	TCL AU	Reinhardt van der Walt
	Transurban Group	TRAUF	TRAUF US	Reinhardt van der Walt
<b>UNDERPERFORM</b>				
	ALS Limited	CPBLF	ALQ AU	Reinhardt van der Walt
	Alumina Limited	AWCMF	AWC AU	Chen Jiang
	Atlas Arteria Ltd	MAQAF	ALX AU	Reinhardt van der Walt
	Cleanaway Waste Management	TSPCF	CWY AU	Reinhardt van der Walt
	Fortescue Ltd.	FSUMF	FMG AU	James Redfern
	IGO	IPGDF	IGO AU	Matt Chalmers, CFA
	James Hardie Industries Plc	JHIUF	JHX AU	Shaurya Visen
	James Hardie Industries Plc	JHX	JHX US	Shaurya Visen
	Vulcan Steel Limited	XVULF	VSL AU	Shaurya Visen
	Vulcan Steel Limited	XVSTF	VSL NZ	Shaurya Visen

## iQmethod<sup>SM</sup> Measures Definitions

### Business Performance

Return On Capital Employed

Return On Equity  
Operating Margin  
Earnings Growth  
Free Cash Flow

### Quality of Earnings

Cash Realization Ratio  
Asset Replacement Ratio  
Tax Rate  
Net Debt-To-Equity Ratio  
Interest Cover

### Valuation Toolkit

Price / Earnings Ratio  
Price / Book Value  
Dividend Yield  
Free Cash Flow Yield  
Enterprise Value / Sales

EV / EBITDA

### Numerator

$\text{NOPAT} = (\text{EBIT} + \text{Interest Income}) \times (1 - \text{Tax Rate}) + \text{Goodwill Amortization}$   
Net Income  
Operating Profit  
Expected 5 Year CAGR From Latest Actual  
Cash Flow From Operations – Total Capex

### Numerator

Cash Flow From Operations  
Capex  
Tax Charge  
Net Debt = Total Debt – Cash & Equivalents  
EBIT

### Numerator

Current Share Price  
Current Share Price  
Annualised Declared Cash Dividend  
Cash Flow From Operations – Total Capex  
 $\text{EV} = \text{Current Share Price} \times \text{Current Shares} + \text{Minority Equity} + \text{Net Debt} + \text{Other LT Liabilities}$   
Enterprise Value

### Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill  
Amortization  
Shareholders' Equity  
Sales  
N/A  
N/A

### Denominator

Net Income  
Depreciation  
Pre-Tax Income  
Total Equity  
Interest Expense

### 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

iQmethod<sup>SM</sup> is the set of BofA Global Research standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and validations. The key features of iQmethod are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

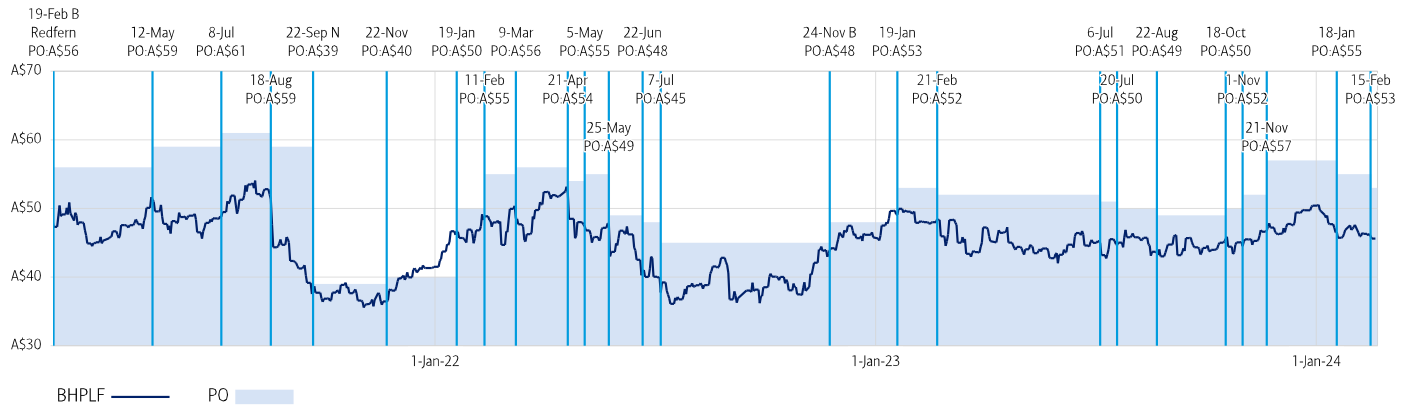
iQdatabase<sup>®</sup> is our real-time global research database that is sourced directly from our equity analysts' earnings models and includes forecasted as well as historical data for income statements, balance sheets, and cash flow statements for companies covered by BofA Global Research.

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# Disclosures

## Important Disclosures

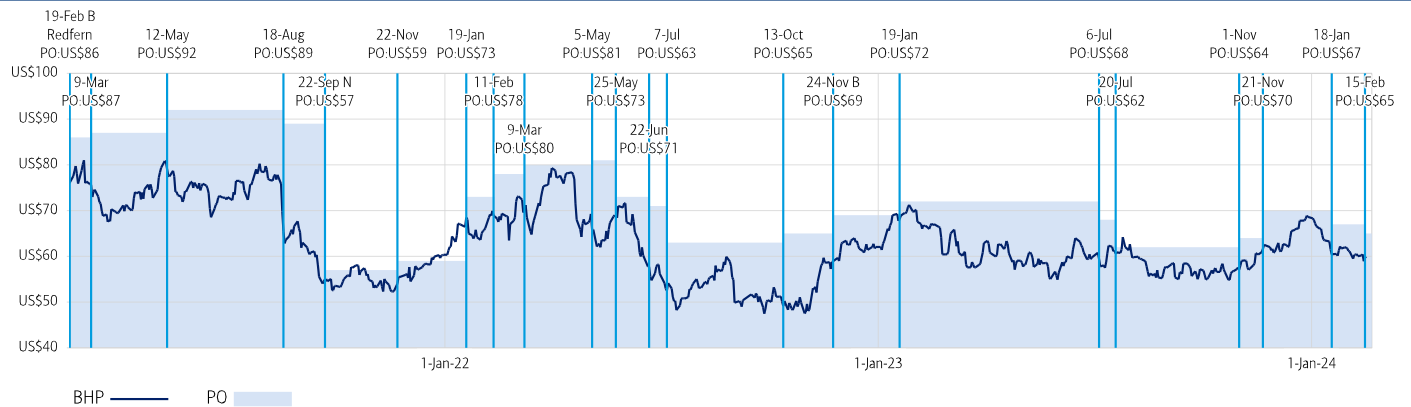
### BHP Group Limited (BHPLF) Price Chart



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

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

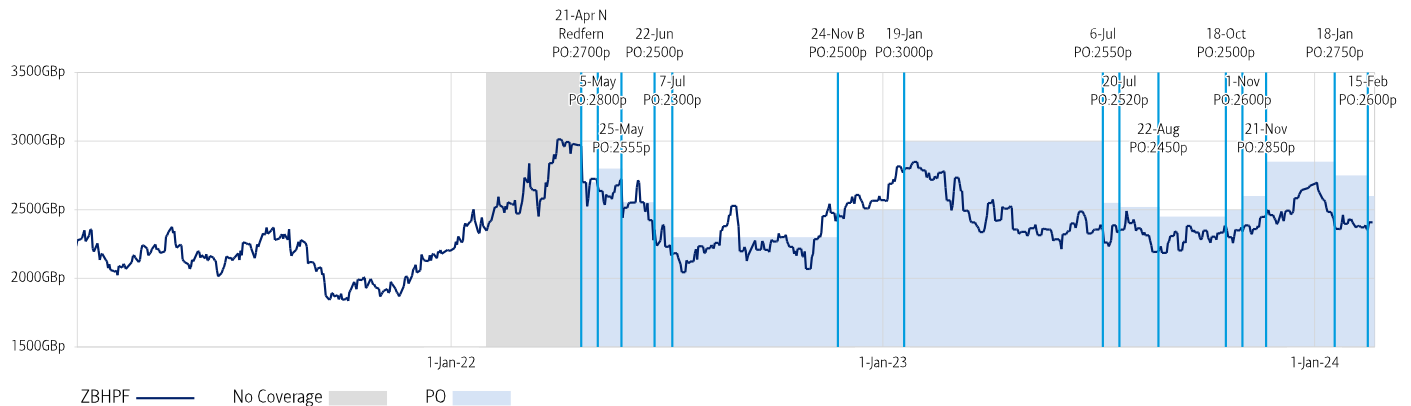
### BHP Group-ADR (BHP) Price Chart



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

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

### BHP Group Limited (ZBHFP) 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: Non-Ferrous Metals/Mining & Minerals Group (as of 31 Dec 2023)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	58	53.70%	Buy	26	44.83%
Hold	24	22.22%	Hold	10	41.67%
Sell	26	24.07%	Sell	13	50.00%

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

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	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%

<sup>R1</sup> 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 <sup>R2</sup>
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

<sup>R2</sup> 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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