

Leisure

Local Leisure Spending Update through January

Estimate Change

Golf course spend declines in Jan. on weather headwind

Monthly spending at golf courses (92% correlated with Golf Rounds played since Jan. 2018) declined 4.6% y/y in January (vs. +13.2% y/y in December and +0.6% y/y last year) according to BAC aggregated credit and debit card data. We expect a deceleration in rounds played in January given much colder weather y/y especially in the South/Southeast.

Bike spend declines in January

Spending at specialty bike stores declined 16.4% in January, which was a deceleration from -6.9% in December (and vs. -16.2% last year). Bike store spending is 61% correlated with FOXF Specialty Sports Group (SSG) segment revenue on a 2Q lead.

Marina spending decelerates

Marina spending (boat leases/rentals and marine service/supplies) declined 7.6% in January (a deceleration from -6.4% in December and vs. 0.0% y/y last year).

Fitness clubs declines in Jan., expect longer promo period

Spending at fitness clubs in January declined 0.6% y/y (a deceleration from 0.3% y/y in December). We believe fitness clubs including PLNT may be trying to drive new memberships during its high volume 1Q period in Feb. through the use of more promos to offset weather headwinds in Jan ([see our fitness industry tracker](#)).

Theme Park spending down y/y in January

Regional theme park spending declined 11.4% y/y in January (from -6.5 % in December & vs. a tough comparison of +23.3% last year).

Winter clothing accelerates in Jan. on weather tailwinds

Spending at winter clothing stores increased 6.4% in Jan. (a significant acceleration from -16.1% in December and vs. -8.1% y/y last year). We believe winter clothing likely benefitted from much colder temperatures which helped drive late season following a warm holiday season. Winter clothing spend also correlated with an acceleration in both COLM & GOOS web traffic in January. We expect some reversal in Feb. as weather has trended warmer y/y in most of the country (through 2/10). We are tweaking down our C25 EPS for COLM to \$4.40 (from \$5.00) to reflect a higher expense outlook vs. our prior model.

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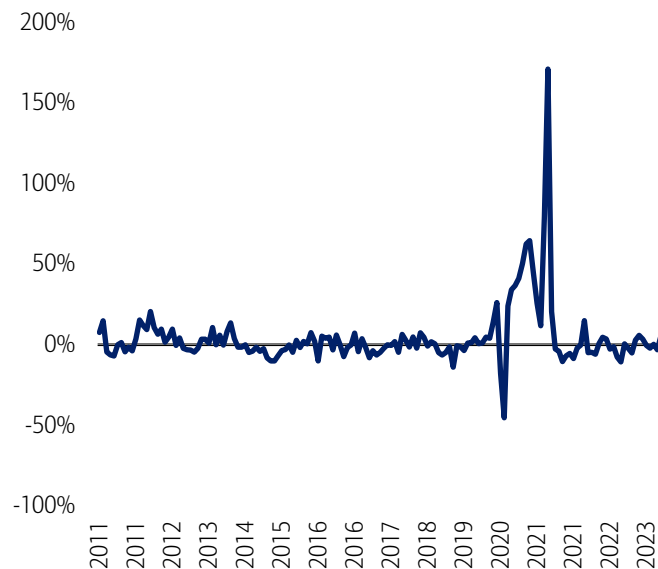
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Timestamp: 12 February 2024 05:00AM EST

Exhibit 1: Monthly Y/Y % change in BAC aggregated debt and credit card spending at golf courses

Spending at golf courses decelerated in January on cold weather headwinds

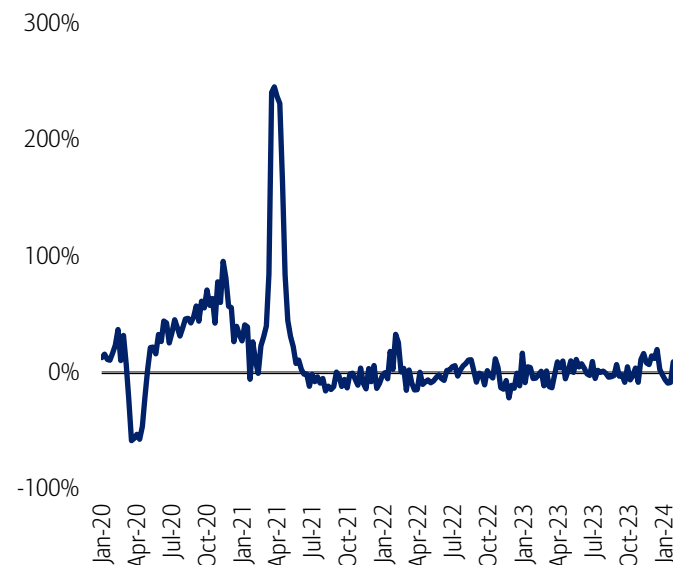


Source: BAC Internal Data

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Exhibit 2: Weekly BAC aggregated debt and credit card spending at golf courses y/y % change

Golf course spend negative y/y but increased for week ending 2/3 as weather turned more favorable

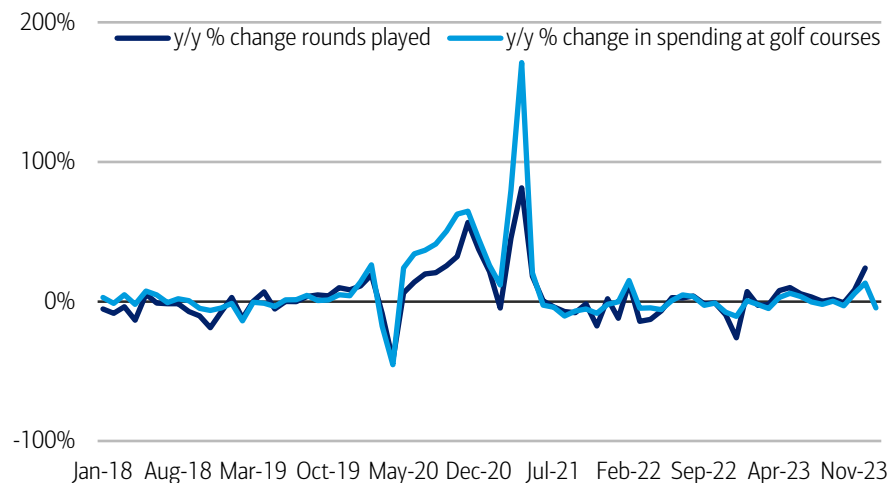


Source: BAC Internal Data

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Exhibit 3: Y/Y % change in golf rounds played vs. y/y % change in spending at golf courses according to BAC card data

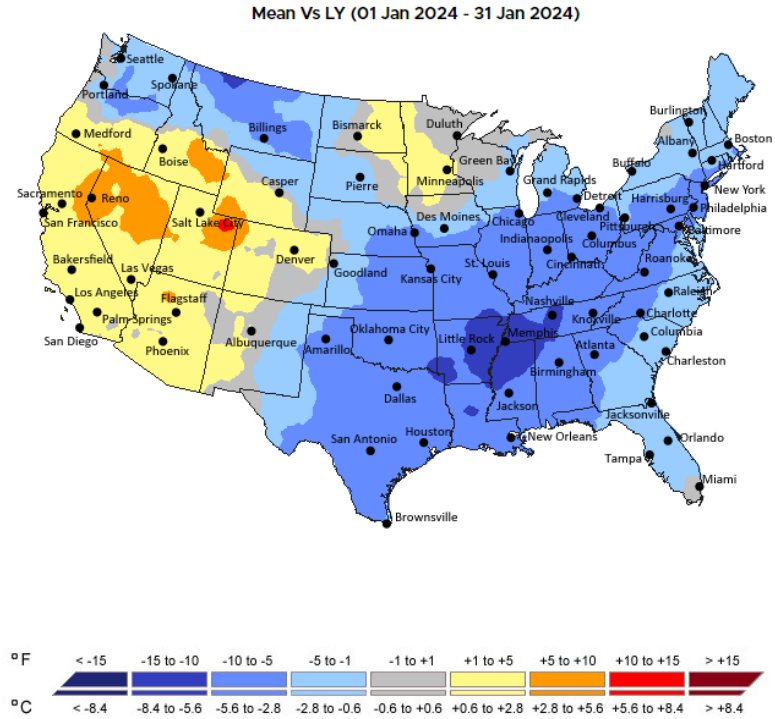
We expect a deceleration in rounds played in January



Source: NGF, BAC Internal Data

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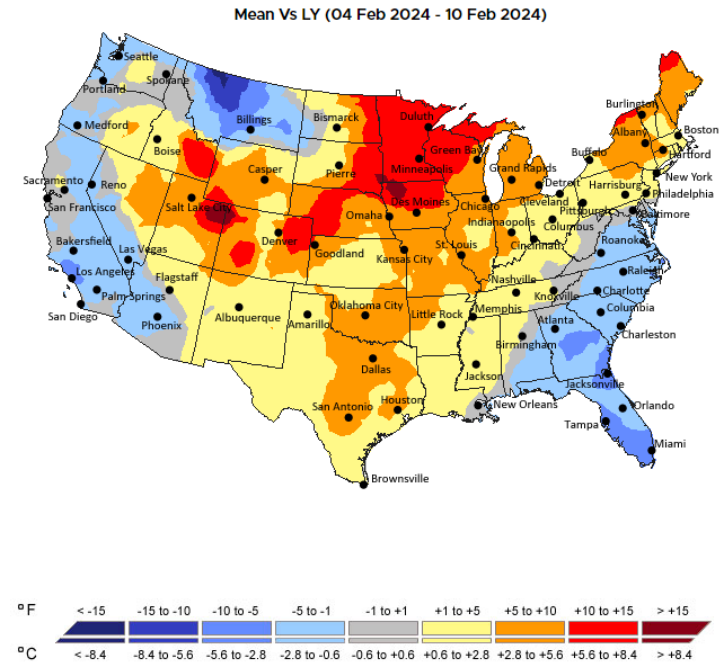
Exhibit 4: Y/Y change in average temperature in January
In most of the U.S. it was much colder y/y in Jan.



Source: WeatherTrends 360

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Exhibit 5: Y/Y change in average temperature in February (2/4-2/10)
Weather has generally turned warmer y/y in Feb.



Source: WeatherTrends 360

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Exhibit 6: Monthly Y/Y % change in aggregated debt and credit card spending at Bike stores

Spending at Bike stores decelerated in January

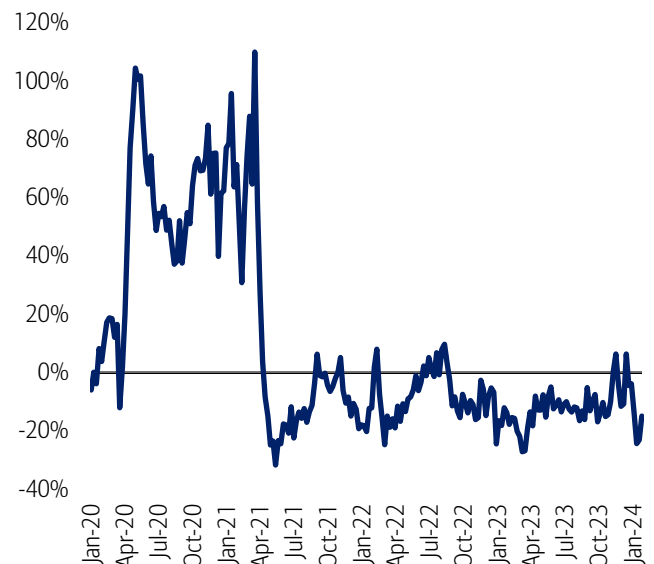


Source: BAC Internal Data

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Exhibit 7: Weekly BAC aggregated debt and credit card spending at Bikes stores y/y % change

Spending on bikes was negative y/y through Jan.

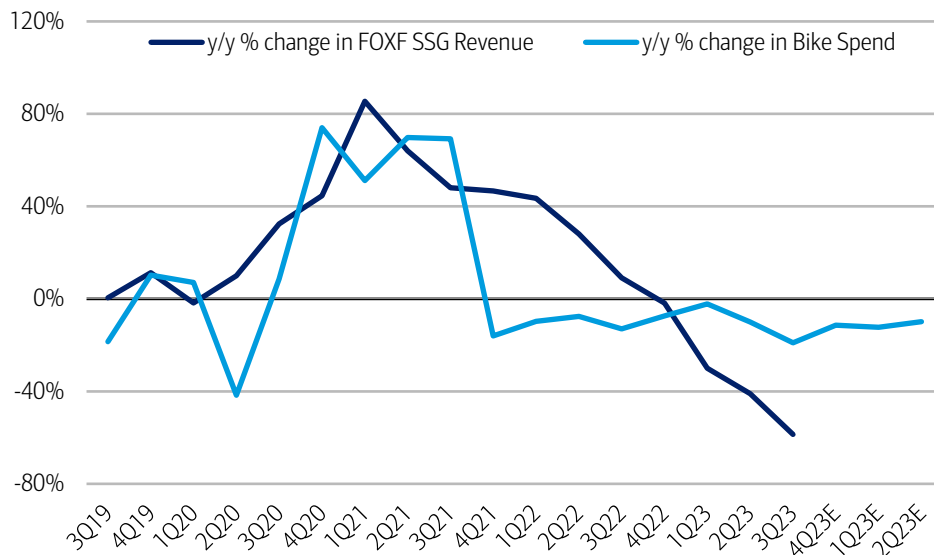


Source: BAC Internal Data

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Exhibit 8: y/y % change in FOXF SSG Revenue (2Q lead) vs. y/y % change in spending at specialty bike stores according to BAC card data

We see an acceleration in FOXF SSG revenue in 4Q

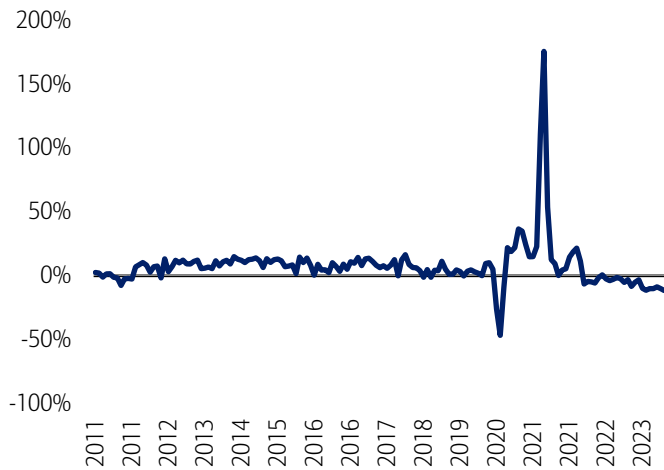


Source: BAC Internal Data, Company Filings

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Exhibit 9: Monthly Y/Y % change in BAC aggregated debt and credit card spending at Campgrounds

Spending slightly decelerated in Jan.

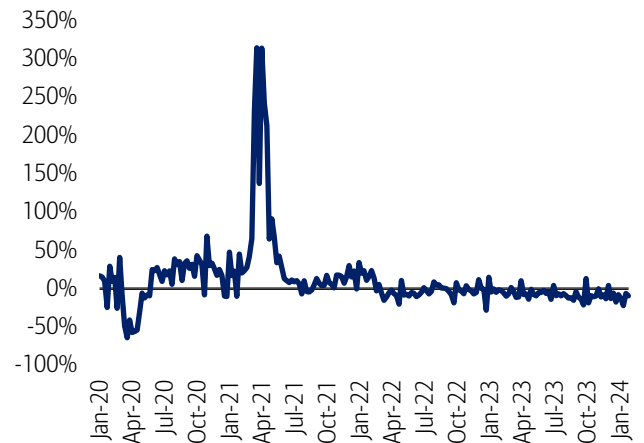


Source: BAC Internal Data

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Exhibit 10: Weekly BAC aggregated debt and credit card spending at Campgrounds y/y % change

Campground spending was negative through Jan.

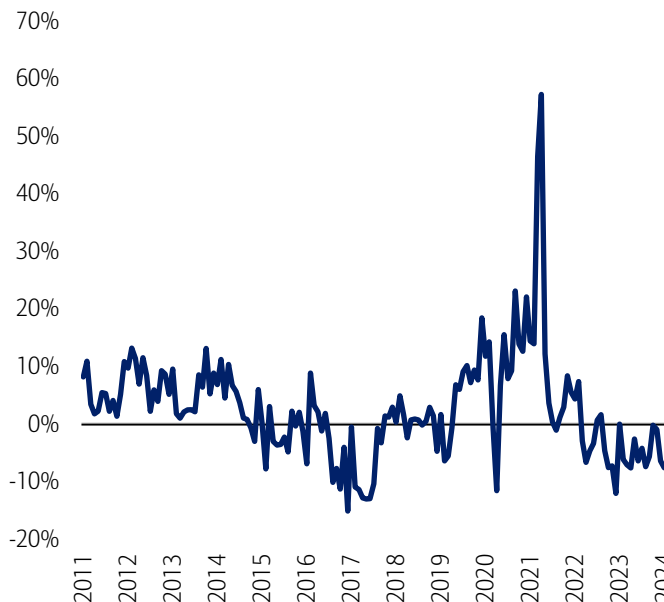


Source: BAC internal Data

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Exhibit 11: Monthly Y/Y % change in BAC aggregated debt and credit card spending at Marinas

Spending was negative in Jan.

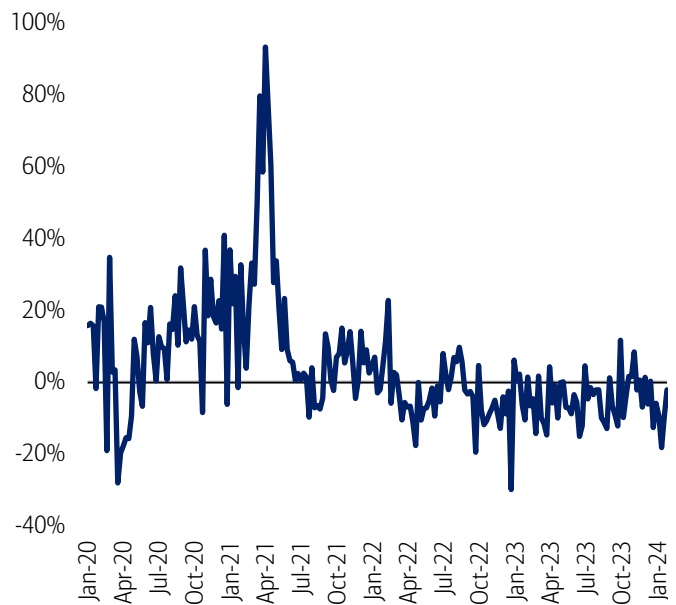


Source: BAC Internal Data

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Exhibit 12: Weekly BAC aggregated debt and credit card spending at Marinas y/y % change

Spending was negative in Jan. but accelerated the last week as weather turned more favorable

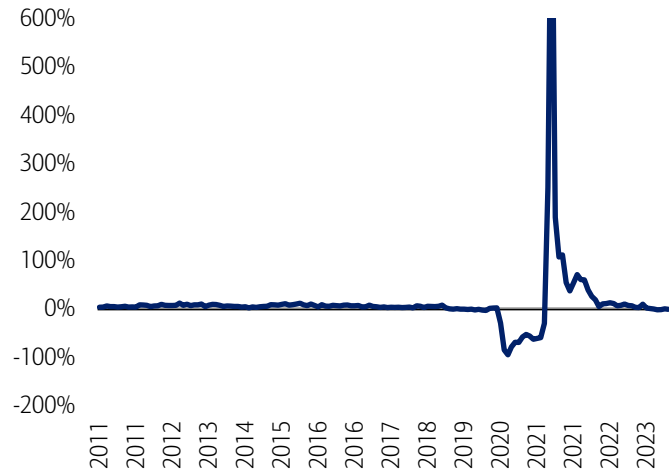


Source: BAC Internal Data

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Exhibit 13: Monthly Y/Y % change in spending at Fitness Clubs

Spending was negative y/y in Jan.

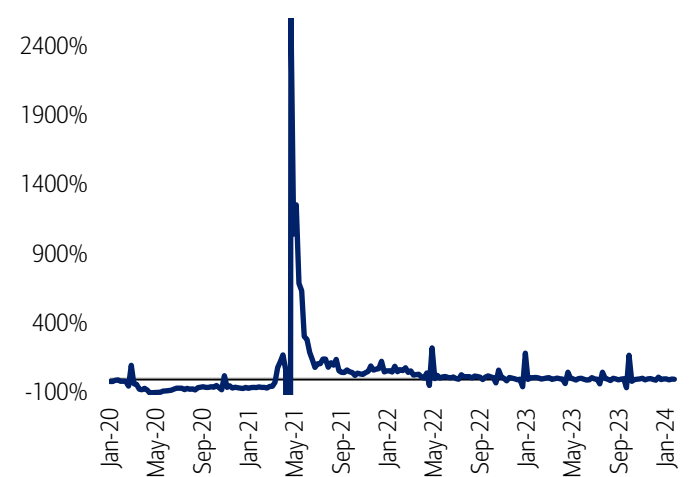


Source: BAC Internal Data

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Exhibit 14: Weekly y/y % change in spending at Fitness Clubs

Spending was negative y/y thru Jan.

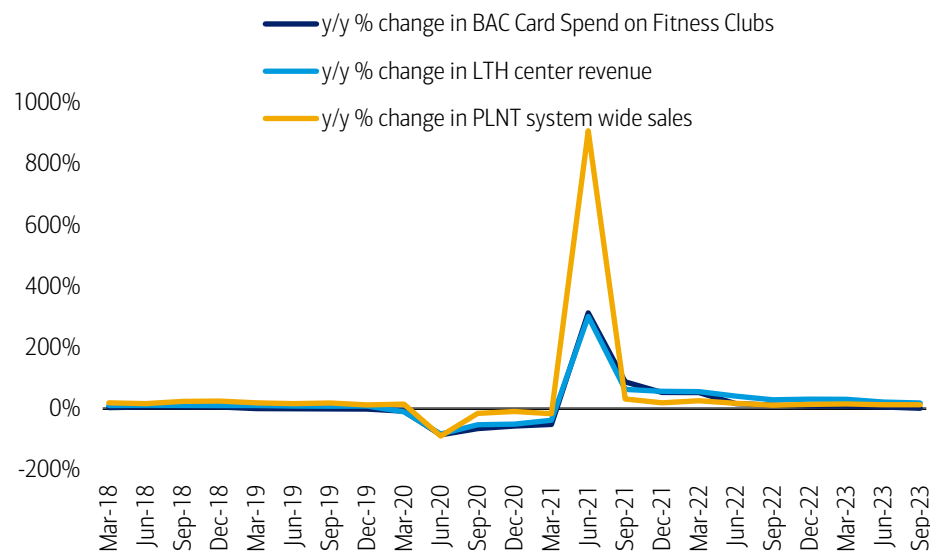


Source: BAC Internal Data

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Exhibit 15: Quarterly Y/Y % change in BAC aggregated debt and credit card spending at Fitness Clubs vs. PLNT / LTH

Strong historical correlation of 99% for LTH, and 91% for PLNT since Mar. 2018

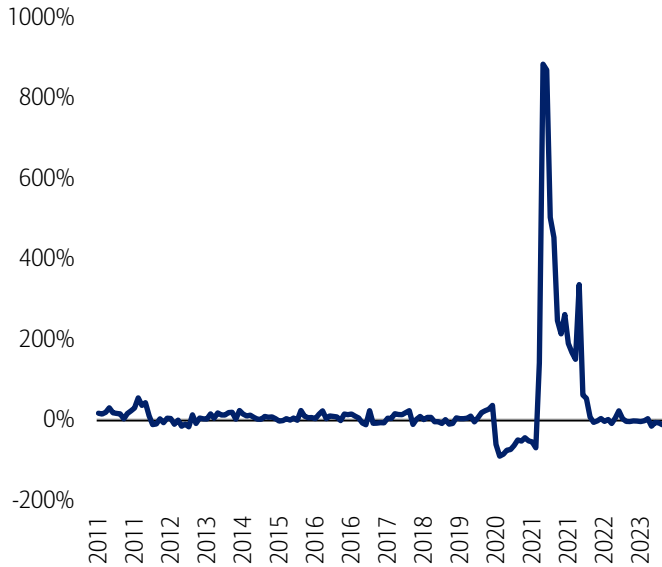


Source: BAC Internal Data, Company Filings

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Exhibit 16: y/y % change in Monthly spending at regional theme parks

Spending decelerated in Jan.

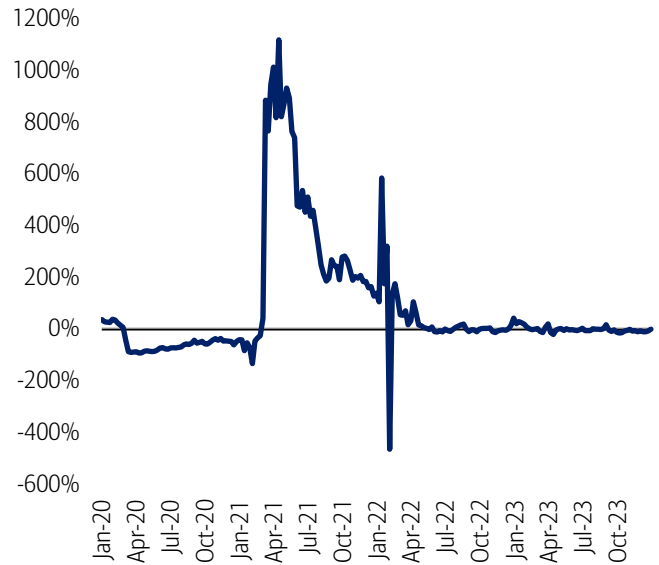


Source: BAC Internal Data

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Exhibit 17: Weekly BAC card spending on Regional Theme Parks y/y % change

Spending was negative through December

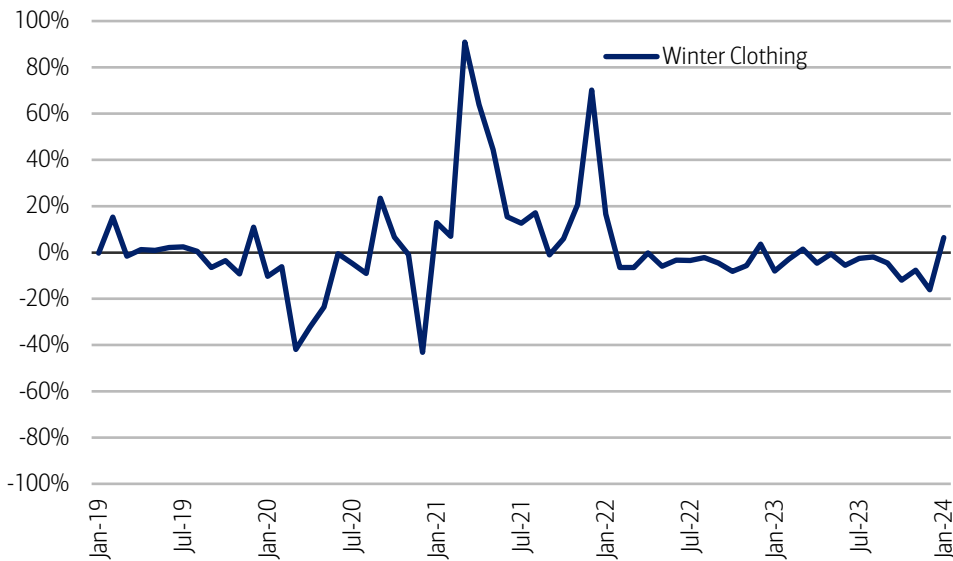


Source: BAC Internal Data

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Exhibit 18: y/y % change in Monthly spending at winter clothing stores

Spending at winter clothing stores accelerated significantly in Jan. on benefits from colder weather

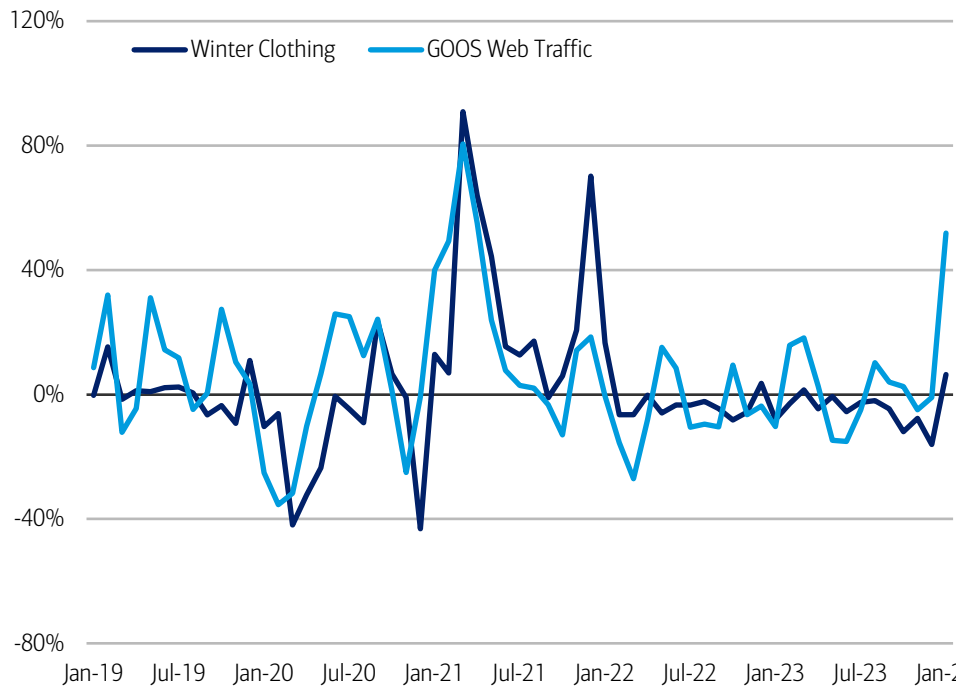


Source: BAC Internal Data

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Exhibit 19: y/y % change in Monthly spending at winter clothing stores vs. GOOS web traffic

GOOS web traffic and spending at winter clothing stores have accelerated in Jan.

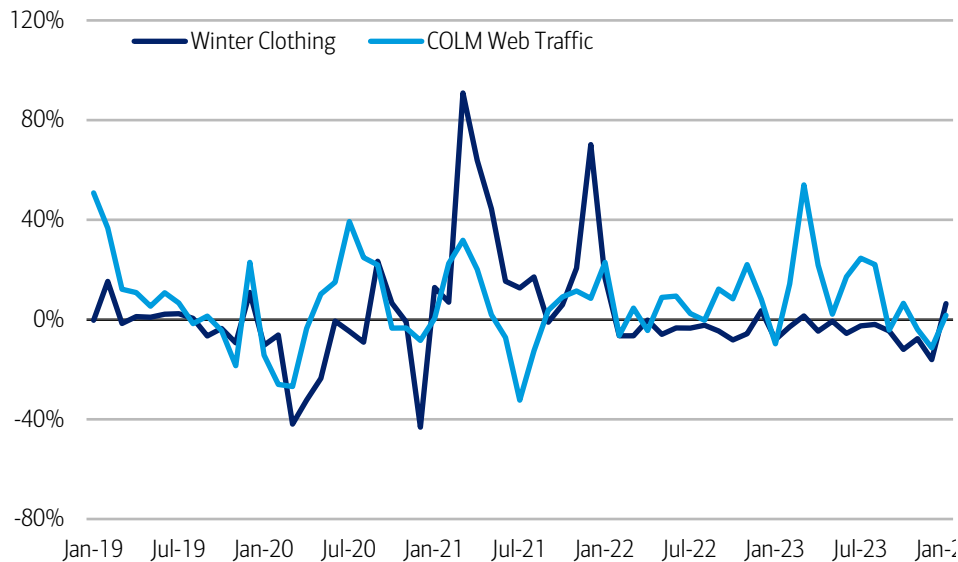


Source: BAC Internal Data, Similar Web, similarweb.com

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Exhibit 20: y/y % change in Monthly spending at winter clothing stores vs. COLM web traffic

COLM web traffic and spending at winter clothing stores have accelerated in Jan.



Source: BAC Internal Data, Similar Web, similarweb.com

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Selected Bank of America ("BAC") transaction data are used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the

data may provide directional and/or predictive value. The data used are not comprehensive; they are based on aggregated and anonymized selections of BAC data and may reflect a degree of selection bias and limitations on the data available.

See [BofA on USA](#) report for methodology, limitations, and disclaimers related to BAC aggregated credit and debit card data.

Methodology explained

Readers should be aware that although the BAC datasets utilized in our analysis represent a significant number of data points, they nevertheless present a degree of selection bias, including but not limited to income levels and geographies. In addition, the data is limited to debit and credit cards and does not include other payment methods such as cash or checks.

Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

Please note we calculate % change (both y/y & 4 yr.) by matching the corresponding day of the week.

The monthly subsector data are adjusted to control for seasonality and other factors.

Additional information about the methodology used to aggregate the data is available upon request.

Price objective basis & risk

Columbia Sportswear (COLM)

Our \$60 PO is based on 13-14X our 2025E EPS of \$4.40 (from 12X given some benefits from late season cold weather) below COLM's historical multiple over the past five years (15-30x) given risk from continued wholesale softness.

Downside risks to our price objective are: an unseasonable warm winter could dampen demand for cold weather apparel and boots, labor costs continue to rise, international macro headwinds in LatAm, Europe and Asia continue, higher-than-expected cost pressures related to investment spend and marketing, and a promotional US retail environment could pressure gross margins.

Upside risks are: Input cost pressures moderate, DTC growth accelerates especially if China business reaccelerates, & Sorel driven upside given strong momentum.

Analyst Certification

I, Alexander Perry, 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.



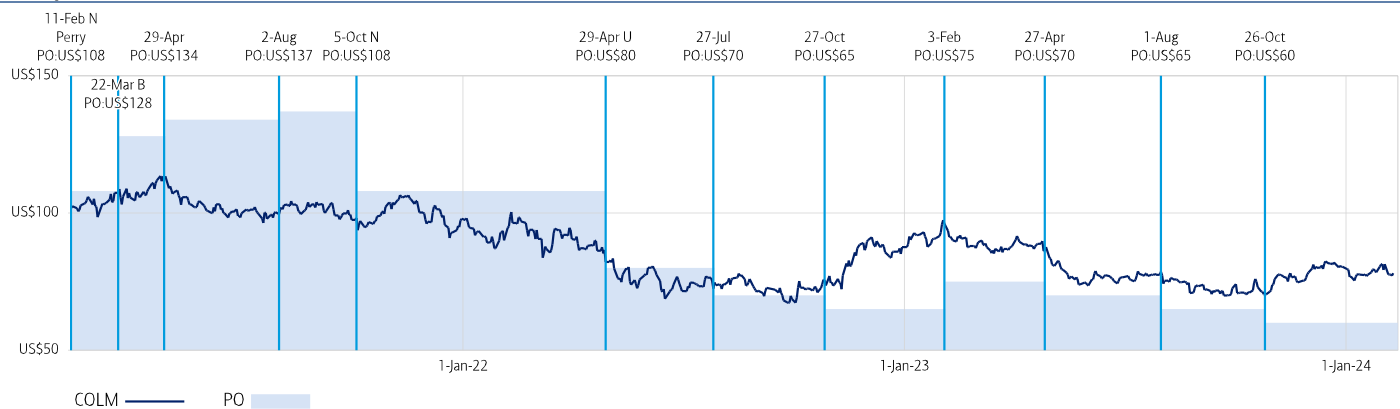
US - Broadlines, Hardlines, Food Retailers & Leisure Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Academy Sports + Outdoors	ASO	ASO US	Robert F. Ohmes, CFA
	BJ's Wholesale Club Holdings	BJ	BJ US	Robert F. Ohmes, CFA
	Costco Wholesale Corporation	COST	COST US	Robert F. Ohmes, CFA
	Fox Factory Holding Corp	FOXF	FOXF US	Alexander Perry
	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
	Planet Fitness, Inc.	PLNT	PLNT US	Alexander Perry
	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
	Walmart Inc	WMT	WMT US	Robert F. Ohmes, CFA
NEUTRAL				
	Dick's Sporting Goods	DKS	DKS US	Robert F. Ohmes, CFA
	Xponential Fitness	XPOF	XPOF US	Alexander Perry
	YETI Holdings, Inc.	YETI	YETI US	Robert F. Ohmes, CFA
UNDERPERFORM				
	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
	Sprouts Farmers Market, Inc.	SFM	SFM US	Robert F. Ohmes, CFA

Disclosures

Important Disclosures

Columbia Sportswear (COLM) 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.

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: 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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