

Consumer & Retail

Retail reprieve

Industry Overview

Mass retail holiday & FY24 outlooks above est's

The tone on the Consumer remains stable, as depicted by better than expected holiday results from mass, grocery & off price retailers last week. 1Q24 will be choppy & likely the weak point of the year given anticipated headwinds from lower inflation and SNAP (food stamp allowances) but overall FY24 outlooks were above consensus. The February employment report (nonfarm payrolls +275k vs. +200k est.) supports this view of steady consumption, even with negative revisions to Dec & Jan, given job demand remains healthy (unemployment 3.9%) and income is outpacing inflation. We expect to hear more on the environment & state of the consumer at our [conference this week](#) in Miami, FL. The **ICE BofA IG Corp Bond Index** tightened -2bps w/w, returning +0.86%. Cyclical tightened -1bp and Non-Cyclicals -3bps with returns of +0.87% and +0.94% respectively. New issuance totaled \$51.53bn last week, with issuance from Keurig Dr Pepper (\$3bn), Nestle (\$2.5bn), and Hormel (\$500mn) in Consumer. \$25bn+ in new issuance is expected this week with C&R blackouts continuing to open.

In **Retail (-1bp)**, Target led the charge as 4Q results beat consensus driven by EBITDA upside from good inventory control and lower freight & fulfillment costs. FY24 guidance also beat including flat to +2% comps, driven by 2Q-4Q. We attended the Investor Day where TGT highlighted product, loyalty & delivery innovation, ongoing network investment, and LT objectives of 6%+ margins over time. Lower capex and delayed 2H share repurchase will aid free cash flow and assumes TGT refinances by mid-year. Costco comps, traffic & earnings were also ahead of est. though the market hoped for a membership fee increase announcement. COST is expected to repay its maturing debt. In M&A, the European Commission is expected to decide by April 15th whether to clear Tapestry's acquisition of Capri Holdings or advance to a more detailed 4-mo analysis. In **Food Retail (flat)**, Kroger 4Q ID's, EBITDA & margins were strong and FY24 guidance was above our est's. Management said litigation hearing dates against the FTC over the Albertsons merger are expected mid-to-late summer.

In **Packaged Food (-2bps)**, Campbell Soup 2Q24 results beat our estimates on better volumes and pricing with benefits from productivity initiatives flowing through. FY24 guidance was reaffirmed but management noted that sales are tracking towards the low-end of the guide. The acquisition of Sovos may close next week opening the window for CPB to issue debt in lieu of the term loan currently in place. In **Beverages (-3bps)**, we hosted a fixed-income meeting with the management team from Bacardi, holders may reach out for takeaways. In **Consumer Products (-1bp)**, an independent lab filed a petition with the US FDA requesting the recall of acne treatments that contain benzoyl peroxide after finding high levels of a chemical linked to cancer ("benzene"). Estee Lauder, Reckitt Benckiser, Target, Unilever, and Procter & Gamble were cited as producing affected products though est. exposure is <LSD%. According to Bloomberg, a federal judge reportedly issued a final judgement in the Tylenol autism class action lawsuit, ruling in favor of Kenvue.

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Valuation & Risk on page 15.

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Exhibit 1: Market week ended 3/8/24

Last week's market performance

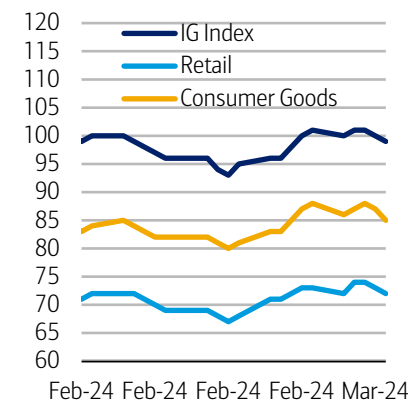
Market	Value	WoW
IG ICE BofA Index	99	(2)
IG ICE BofA Index (yld)	5.29	(11)
HY ICE BofA Index	463	(6)
HY ICE BofA Index (yld)	7.71	(15)
CDX IG 5yr	50	(2)
CDX HY 5yr	329	(5)
Consumer Cyclical	72	(1)
Consumer Non-Cyclical	85	(3)
5yr Treasury (yld)	4.05	(11)
10yr Treasury (yld)	4.07	(10)
30yr Treasury (yld)	4.25	(7)
S&P 500 (index)	5,124	-0.3%

Source: ICE Data Indices, LLC, Bloomberg

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Exhibit 2: Consumer/Retail Spreads

1mo spread performance



Source: ICE Data Indices, LLC, Bloomberg

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Exhibit 3: Upcoming Consumer/Retail Events Calendar

2-week calendar of events, subject to change

March 2024				
Mon, Mar-11	Tue, Mar-12	Wed, Mar-13	Thu, Mar-14	Fri, Mar-15
	ADM 4Q23 earnings BofA Consumer & Retail Conference	DLTR 4Q23 earnings BofA Consumer & Retail Conference	DKS 4Q23 earnings DG 4Q23 earnings	
Mon, Mar-18	Tue, Mar-19	Wed, Mar-20	Thu, Mar-21	Fri, Mar-22
		GIS 3Q24 earnings BFB Investor day ATDBCN 3Q24 earnings	DRI 3Q24 earnings NKE 3Q24 earnings	

Source: Company filings, Bloomberg

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Exhibit 4: Spread week over week changes

KDP and HEIANA widened the most last week

Active Cash Trading				Active CDS		
Issuer	Chg (G-spread)	Issuer	Chg (G-spread)	Entity	5y	Chg
KDP 2.250% 3/15/2031	+10	HEIANA 1.750% 3/17/2031	-7	Whirlpool Corp	138	7
HEIANA 4.350% 3/29/2047	+8	TAP 3.000% 7/15/2026	-7	Tyson Foods	58	1
FLO 2.400% 3/15/2031	+7	WHR 4.750% 2/26/2029	-6	AutoZone	28	-1
SCJOHN 4.750% 10/15/2046	+6	SFD 2.625% 9/13/2031	-6	Target	28	-2
EL 2.600% 4/15/2030	+6	HAS 5.100% 5/15/2044	-6	Kroger	41	-5

Source: Bloomberg

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Notable Consumer & Retail credit news**Retail**

Target (TGT, A2/A/A) 4Q results solidly beat estimates led by EBITDA upside (+40.3% vs +21.3% est.) from ongoing inventory control (-11.9% y/y), lower freight, lower supply chain & digital fulfillment costs and disciplined cost management. Gross margins still missed slightly (+291bps vs +307bps) offset by SG&A, D&A and other revenue (credit cards) strength. Sequential improvement in sales and traffic trends led to 4Q comps -4.4% which were relatively in-line with consensus -4.6% and -MSD% guidance (stores -5.4% and digital -0.7%) and 1Q is expected to be stable at -3-5% comps. FY24 guidance is above <\$9 EPS expectations with comps flat to +2%.

Exhibit 5: Target 4Q23

TGT financial summary

	4Q23	Consensus
Revenue	+1.7%	+1.3%
Total U.S. comps	-4.4%	-4.6%
Adj. EBITDA	+40.3%	+21.3%
Adj. EBITDA margin	8.2%	6.8%
Adj. EPS	\$2.98	\$2.39
	3Q23	Q/Q
Debt	\$18,518	\$76
Gross leverage	2.2x	-0.2x
Net leverage	1.7x	-0.4x

Source: Company filings, Visible Alpha

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FY24 Guidance ahead of expectations

- FY24:** (a) Comps to increase modestly from flat to up +2% vs +0.6% est.; (b) Adj EPS \$8.60-\$9.60 vs \$9.14 est.

- **1Q24:** (a) Comps to decline -3-5% vs -3% est.; (b) Adj EPS \$1.70-\$2.10 vs \$2.14 est.

The Consumer Financial Protection Bureau finalized a rule to cut excessive credit card fees. The final rule adopts a lower threshold of \$8, a reduction from the average of \$32, which is in-line with expectations from the proposal made in Feb 2023. The ruling applies to the largest credit card issuers (+1 million open accounts) which account for >95% of total outstanding balances. "When consumers don't make required payments, they can face a long list of consequences. They pay extra interest, their credit report gets hit, their credit line can get cut, and, of course, they can face a late fee. However, late fees and other penalties aren't supposed to be a core profit driver, since this would mean that credit card companies might benefit more when consumers miss payments."

- Three conditions: (1) Lowers late fee to \$8; (2) Ends automatic annual inflation adjustment (CFPB will adjust the \$8 late fee as necessary); (3) Requires CC issuers to be transparent on charges to prove higher fees are necessary to cover collection costs.
- CFPB research shows that borrowers with low credit scores are, on avg. charged \$138/yr, and many have multiple credit cards

Food Retail

Kroger's (KR, Baa1/BBB/--) 4Q performance was solid as both EBITDA and sales beat our estimates, helped by a 53rd week lift. ID's ex-fuel declined -0.8% vs. our -1.5% est. but underlying ID's (ex-ESRX termination) turned positive +0.1%. EBITDA margins were also ahead (+33bps vs our est.) driven by gross margin expansion (FIFO ex-fuel +13bps) from KR's 'Our Brands' performance, sourcing benefits, and lower supply chain costs which offset an OG&A miss (+40bps ex-fuel) which includes a 10bps drag from MEPP funding. FY24 guidance is stronger than expected, including positive ID's and better profit flow-through, vs. our estimates at the low-end of the range. KR did not comment on the merger or FTC lawsuit in the release.

Exhibit 6: Kroger 4Q23

KR financial summary

	4Q23	BofA est.	Consensus
Sales	+6.4%	+5.5%	+5.3%
ID Sales	-0.8%	-1.5%	-1.3%
Adj. EBITDA	+19.4%	+11.7%	+12.7%
Adj. EBITDA margin	5.6%	5.3%	5.3%
EPS	\$1.34	\$1.18	\$1.13

	4Q23	BofA est.	Q/Q
Debt	\$12,226	\$12,763	(\$537)
Gross leverage	2.3x	2.5x	-0.2x
Net leverage	2.1x	2.2x	-0.2x

Source: BofA Global Research, Company filings, Visible Alpha

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FY24 Guidance ahead of estimates

- **FY24:** (a) IDs (ex-fuel) +0.25-1.75% vs our +0.8% est.; (b) adj EPS \$4.30-4.50 vs. our \$4.32 est.; (c) operating profit \$4.6-4.8bn vs. our \$4.5bn est.; (d) tax rate 23%; and (e) FCF \$2.5-2.7bn including CapEx \$3.4-3.6bn

Packaged Food

Campbell Soup (CPB, Baa2/BBB-/BBB) 2Q24 results beat our & consensus estimates driven by better than expected volumes and pricing. EBITDA and margins were well ahead of our estimates on strong gross margin expansion from productivity improvements and pricing. FY24 guidance was reaffirmed though the company noted



that it is tracking towards the low-end of the sales guide but could have potential for upside if consumer recovery accelerates in 2H. Sovos acquisition is expected to close next week.

Exhibit 7: Campbell Soup 2Q24

CPB earnings

	2Q24	BofA est.	Consensus
Revenue	-1.2%	-1.2%	-2.1%
Adj. EBITDA	+2.9%	-2.1%	-1.8%
Adj. EBITDA margin	18.7%	17.8%	18.2%
Adj. EPS	\$0.80	\$0.77	\$0.77

	2Q24	BofA est.	Q/Q
Debt	\$4,520	\$4,706	(\$186)
Adj. Gross leverage	2.8x	3.0x	-0.2x
Adj. Net leverage	2.7x	2.9x	-0.2x

Source: BofA Global Research, Company filings, Visible Alpha

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Revenue-related commentary

- Organic net sales -1% beat our -2.1% est., driven by volume/mix -2% and partially offset by pricing +1%
- Meals & Beverages (M&B):** -2% org. sales, seeing pressure in Ready-to-Serve while consumers reflect “value mindset” and prioritize stretchable foods like condensed soup and broth (US Soup -3%)
- Seeing consumer sentiment improving though also fewer grocery trips, bit of a step back up in number of categories purchases & number of servings
- Snacks:** +1% org. sales driven by power brands (+4%)
- January was strong due to favorable cold weather and easier y/y lapping
- Core inflation during the quarter +LSD%, expect inflation to stay within this range for the remainder of the FY
- Net pricing avg. ~1%, carryover from CPB’s smallest and focused pricing round

Profit & margin-related commentary

- Adj. EBITDA margins expanded +74bps (ahead of our -17bps est.). Adj. gross margins +73bps beat our +10bps est. driven by productivity improvements (+220bps), net price (+100bps), cost savings initiatives (+30bps), and mix (+30bps) helping to offset inflation (-310bps). Adj. SG&A deleveraged +48bps y/y (vs our +35bps est.) on higher G&A costs including selling expenses and inflation.
- Remain on track to deliver \$1bn in savings by the end of FY25 (\$915mn to-date)

FY24 outlook reaffirmed (tracking at low-end of sales guide)

- FY24: (a) net sales +0.5-1.5% (vs. our +0.1% est.) and organic sales flat to +2%; (b) adj. EBIT +3-5% (vs. our +3% est.); (c) adj. EPS \$3.09-3.15 (vs. our \$3.09 est.); (d) interest expense \$185-190mn; (e) capital expenditure 5% of sales; and (f) adj. effective tax rate of ~24%
- 3Q: +LSD% org sales and continued sequential improvement in 4Q, EPS in the lower \$0.70 area
- Marketing and selling expense at the low-end of targeted 9-10% of sales
- Continue to expect margin for Snacks ~15%

- Reiterated Sovos Brands (SOVO) acquisition to close next week (March 11th)

Recent New Issuance

Hormel (A1/A-) issued \$500mn across 3yr Notes. The use of proceeds is to refinance the 0.650% notes due June '24.

Nestle Capital Corp (Aa3/AA-) issued \$2,500mn across \$600mn 5yr Notes, \$450mn 7yr Notes, \$800mn 10yr Notes, and \$650mn 30yr Notes. The use of proceeds is for general corporate purposes.

Keurig Dr Pepper (Baa1/BBB) issued \$3,000mn across \$750mn 3yr Notes, \$750mn 5yr Notes, \$500mn 7yr Notes, and \$650mn 10yr Notes. The use of proceeds is to refinance outstanding commercial paper borrowings and/or senior maturities.

BofA Current Recommendations

Exhibit 8: Cash & CDS ratings
BofA cash & CDS ratings

Name	Ticker	Cash			CDS		
		Overweight	Marketweight	Underweight	Buy Protection	Neutral	Sell Protection
O'Reilly Automotive	ORLY	√					
The Home Depot	HD		√			√	
Anheuser-Busch InBev SA/NV*	ABIBB		√				
Advance Auto Parts	AAP		√				



Exhibit 8: Cash & CDS ratings

BofA cash & CDS ratings

		Cash		CDS	
McCormick & Co	MKC	✓			
Campbell Soup Co.	CPB	✓		✓	
Sysco Corp.	SYT		✓		
Keurig Dr. Pepper	KDP	✓			
Lowe's	LOW	✓		✓	
Tyson Foods	TSN			✓	
Conagra Brands	CAG		✓	✓	
Kellogg*	K		✓		
Kraft Heinz	KHC	✓			✓
General Mills Inc.	GIS			✓	
AutoZone	AZO		✓	✓	
Kroger	KR		✓		✓
Dollar General Corp.	DG		✓		
Mondelez International	MDLZ		✓	✓	
Mondelez Int'l Holdings Netherlands	MDLZ		✓		
J.M. Smucker	SJM		✓		
The Coca-Cola Company	KO		✓		
PepsiCo	PEP		✓		
Pilgrim's Pride	PPC		✓		
Mattel	MAT		✓		
The Hershey Co.	HSY		✓	✓	

Source: BofA Global Research;

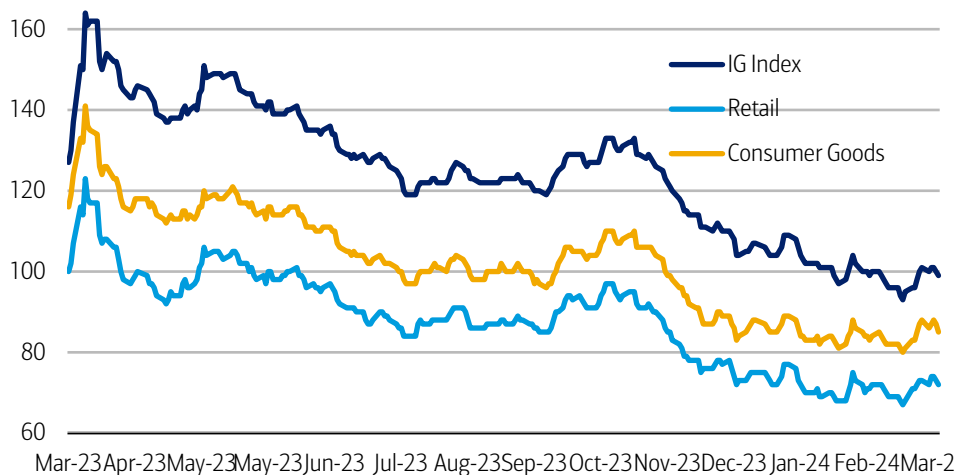
Notes (*): Underweight K long-end, Overweight ABIBB long-end (\$)

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Market Snapshot

Exhibit 9: BofA HG Index vs. Consumer/Retail Sectors

Consumer/Retail 1-year spread performance sits near the tights



Source: ICE Data indices, LLC

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**Exhibit 10: ICE Data Indices Investment Grade Index**

Benchmark spread and credit metrics by issuer

	Num of Issues	% of Index	Spreads (OAS)					Price	YTW	Modified Duration	Average Rating	Total Returns					Excess Returns				
			OAS	1 week	MTD	QTD	YTD					1 week	MTD	QTD	YTD	12 month	1 week	MTD	QTD	YTD	12 month
US Corporate Index	10,309	100.0%	99 bps	-2 bps	-1 bps	-5 bps	-5 bps	\$92.8	5.29%	6.7	A3	0.86%	1.20%	-0.07%	-0.07%	7.65%	16 bps	9 bps	58 bps	58 bps	417 bps
Rating Categories																					
AAA US Corporate Index	117	1.1%	40 bps	-2 bps	-2 bps	0 bps	0 bps	\$86.5	4.71%	9.4	AAA	1.10%	1.53%	-0.82%	-0.82%	5.09%	21 bps	20 bps	40 bps	40 bps	324 bps
AA US Corporate Index	795	8.2%	54 bps	-2 bps	-1 bps	-2 bps	-2 bps	\$90.6	4.88%	7.2	AA3	0.83%	1.17%	-0.50%	-0.50%	5.83%	11 bps	6 bps	29 bps	29 bps	289 bps
Single-A US Corporate Index	4,226	43.9%	83 bps	-2 bps	-1 bps	-5 bps	-5 bps	\$93.1	5.13%	6.7	A2	0.87%	1.20%	-0.15%	-0.15%	6.91%	16 bps	11 bps	50 bps	50 bps	345 bps
BBB US Corporate Index	5,171	46.8%	123 bps	-2 bps	-1 bps	-6 bps	-6 bps	\$93.0	5.52%	6.6	BBB2	0.86%	1.18%	0.09%	0.09%	8.68%	16 bps	8 bps	69 bps	69 bps	506 bps
Maturity																					
1-3 Year US Corporate Index	2,136	22.7%	65 bps	-4 bps	-3 bps	-11 bps	-11 bps	\$96.8	5.26%	1.8	A3	0.26%	0.41%	0.74%	0.74%	6.31%	8 bps	7 bps	38 bps	38 bps	123 bps
3-5 Year US Corporate Index	1,796	18.4%	86 bps	-3 bps	-2 bps	-7 bps	-7 bps	\$97.3	5.08%	3.5	A3	0.54%	0.82%	0.49%	0.49%	7.65%	15 bps	11 bps	57 bps	57 bps	253 bps
5-7 Year US Corporate Index	1,264	12.4%	103 bps	-3 bps	-2 bps	-5 bps	-5 bps	\$91.9	5.13%	5.2	BBB1	0.83%	1.22%	0.26%	0.26%	8.44%	19 bps	15 bps	62 bps	62 bps	357 bps
7-10 Year US Corporate Index	1,460	15.1%	124 bps	-2 bps	-1 bps	-2 bps	-2 bps	\$94.4	5.32%	6.8	A3	0.99%	1.37%	-0.07%	-0.07%	8.47%	15 bps	5 bps	54 bps	54 bps	447 bps
10-15 Year US Corporate Index	573	5.2%	125 bps	-1 bps	0 bps	-5 bps	-5 bps	\$101.4	5.41%	8.8	A3	1.20%	1.65%	-0.32%	-0.32%	9.01%	14 bps	8 bps	56 bps	56 bps	607 bps
15+ Year US Corporate Index	3,080	26.1%	115 bps	-1 bps	0 bps	-2 bps	-2 bps	\$84.9	5.49%	13.6	A3	1.50%	1.94%	-1.29%	-1.29%	7.50%	22 bps	9 bps	71 bps	71 bps	736 bps
Industry																					
US Corporate Index																					
Industrials	6,145	58.9%	95 bps	-2 bps	-1 bps	-2 bps	-2 bps	\$91.9	5.24%	7.4	A3	0.93%	1.28%	-0.41%	-0.41%	7.63%	16 bps	10 bps	38 bps	38 bps	449 bps
Consumer Cyclical	347	3.5%	72 bps	-1 bps	-1 bps	0 bps	0 bps	\$90.7	5.01%	7.7	A2	0.87%	1.25%	-0.78%	-0.78%	6.95%	8 bps	5 bps	10 bps	10 bps	398 bps
US Corp Retail	258	2.8%	69 bps	-1 bps	-1 bps	0 bps	0 bps	\$90.5	4.97%	7.6	A2	0.86%	1.26%	-0.80%	-0.80%	6.86%	9 bps	6 bps	9 bps	9 bps	391 bps
US Corp Food & Drug Retail	38	0.3%	105 bps	0 bps	1 bps	-9 bps	-9 bps	\$90.0	5.32%	8.0	BBB2	0.86%	1.22%	0.36%	0.36%	8.06%	3 bps	-5 bps	112 bps	112 bps	475 bps
US Corp Restaurants	51	0.5%	72 bps	-2 bps	-1 bps	5 bps	5 bps	\$92.8	5.04%	7.7	BBB1	0.88%	1.23%	-1.35%	-1.35%	6.94%	9 bps	1 bps	-45 bps	-45 bps	406 bps
Consumer Non-Cyclical	620	5.7%	85 bps	-3 bps	-2 bps	0 bps	0 bps	\$92.9	5.14%	7.2	A3	0.94%	1.28%	-0.58%	-0.58%	7.65%	17 bps	9 bps	19 bps	19 bps	436 bps
US Corp Beverage	168	1.8%	69 bps	-3 bps	-1 bps	3 bps	3 bps	\$92.4	4.97%	8.3	A3	1.16%	1.49%	-1.07%	-1.07%	6.90%	30 bps	17 bps	-9 bps	-9 bps	425 bps
US Corp Food Wholesale	236	1.9%	90 bps	-2 bps	-1 bps	0 bps	0 bps	\$92.5	5.19%	6.9	BBB1	0.84%	1.18%	-0.53%	-0.53%	7.28%	11 bps	4 bps	19 bps	19 bps	379 bps
US Corp Tobacco	86	1.1%	121 bps	-3 bps	-2 bps	-8 bps	-8 bps	\$93.9	5.49%	6.9	BBB1	0.85%	1.17%	0.22%	0.22%	10.42%	9 bps	1 bps	85 bps	85 bps	669 bps
US Corp Consumer Products	130	0.9%	67 bps	-1 bps	0 bps	2 bps	2 bps	\$93.7	4.93%	6.4	A2	0.82%	1.18%	-0.63%	-0.63%	6.72%	13 bps	9 bps	0 bps	0 bps	290 bps

Source: BofA Global Research, Bloomberg

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Exhibit 11: Recent Sector New Issuance

Consumer/Retail new issuance tracker in reverse chronological order

Issue Date	Ticker	Issuer	Rating (Moody's/S&P)	Size	Coupon	Maturity	New Issue Spread
03/05/2025	NESNVX	NESTLE CAPITAL CORP	Aa3/AA-	\$600	4.650%	03/12/2029	55
03/05/2025	NESNVX	NESTLE CAPITAL CORP	Aa3/AA-	\$450	4.750%	03/12/2031	65
03/05/2025	NESNVX	NESTLE CAPITAL CORP	Aa3/AA-	\$800	4.875%	03/12/2034	75
03/05/2025	NESNVX	NESTLE CAPITAL CORP	Aa3/AA-	\$650	5.100%	03/12/2054	85
03/05/2024	HRL	HORMEL FOODS	A1/A-	\$500	4.800%	03/30/2027	50
03/04/2024	KDP	KEURIG DR PEPPER	Baa1/BBB	\$750	5.100%	03/15/2027	75
03/04/2024	KDP	KEURIG DR PEPPER	Baa1/BBB	\$750	5.050%	03/15/2029	90
03/04/2024	KDP	KEURIG DR PEPPER	Baa1/BBB	\$500	5.200%	03/15/2031	100
03/04/2024	KDP	KEURIG DR PEPPER	Baa1/BBB	\$650	5.300%	03/15/2034	110
02/28/2024	TSN	TYSON FOODS	Baa2/BBB	\$600	5.400%	03/15/2029	115
02/28/2024	TSN	TYSON FOODS	Baa2/BBB	\$900	5.700%	03/15/2034	145
02/22/2024	WHR	WHIRLPOOL CORP	Baa2/BBB	\$300	5.750%	03/01/2034	145
02/15/2024	BATSLN	BAT CAPITAL CORP	Baa2/BBB+	\$850	5.834%	02/20/2031	158
02/15/2024	BATSLN	BAT CAPITAL CORP	Baa2/BBB+	\$850	6.000%	02/20/2034	183
02/15/2024	MDLZ	MONDELEZ INTERNATIONAL	Baa1/BBB	\$550	4.750%	02/20/2029	65
02/12/2024	EL	ESTEE LAUDER	A1/A	\$650	5.000%	02/14/2034	87
02/12/2024	PEP	PEPSICO SINGAPORE FINANCING	A1/A+	\$550	4.650%	02/16/2027	40
02/12/2024	PEP	PEPSICO SINGAPORE FINANCING	A1/A+	\$450	4.550%	02/16/2029	45
02/12/2024	PEP	PEPSICO SINGAPORE FINANCING	A1/A+	\$450	4.700%	02/16/2034	55
02/09/2024	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$750	4.750%	02/12/2027	70
02/09/2024	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$1,000	4.875%	02/13/2029	95
02/09/2024	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$1,250	5.125%	02/13/2031	120
02/09/2024	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$1,750	5.250%	02/13/2034	135
02/06/2024	ATDBCN	ALIMENTATION COUCHE-TARD	Baa1/BBB+	\$900	5.267%	02/12/2034	118
02/06/2024	ATDBCN	ALIMENTATION COUCHE-TARD	Baa1/BBB+	\$600	5.617%	02/12/2054	130
02/05/2024	SBUX	STARBUCKS	Baa1/BBB+	\$1,000	4.850%	02/08/2027	60
02/05/2024	SBUX	STARBUCKS	Baa1/BBB+	\$500	4.900%	02/15/2031	80
02/05/2024	SBUX	STARBUCKS	Baa1/BBB+	\$500	5.000%	02/15/2034	90
01/24/2024	PG	PROCTER & GAMBLE	Aa3/AA-	\$600	4.350%	01/29/2029	27
01/24/2024	PG	PROCTER & GAMBLE	Aa3/AA-	\$750	4.550%	01/29/2034	37
01/16/2024	GIS	GENERAL MILLS	Baa2/BBB	\$500	4.700%	01/30/2027	70
01/09/2024	STZ	CONSTELLATION BRANDS	Baa3/BBB	\$400	4.800%	01/15/2029	85
01/04/2024	BIMBOA	BIMBO BAKERIES USA	Baa1/BBB+	\$450	6.050%	01/15/2029	115
01/04/2024	BIMBOA	BIMBO BAKERIES USA	Baa1/BBB+	\$800	5.375%	01/09/2036	150
11/27/2023	HD	HOME DEPOT	A2/A	\$500	5.125%	04/30/2025	28
11/27/2023	HD	HOME DEPOT	A2/A	\$750	4.950%	09/30/2026	43
11/27/2023	HD	HOME DEPOT	A2/A	\$750	4.900%	04/15/2029	58
11/15/2023	TPR	TAPESTRY INC	Baa2/BBB	\$500	7.050%	11/27/2025	220
11/15/2023	TPR	TAPESTRY INC	Baa2/BBB	\$750	7.000%	11/27/2026	240
11/15/2023	TPR	TAPESTRY INC	Baa2/BBB	\$1,000	7.350%	11/27/2028	290
11/15/2023	TPR	TAPESTRY INC	Baa2/BBB	\$1,000	7.700%	11/27/2030	320
11/15/2023	TPR	TAPESTRY INC	Baa2/BBB	\$1,250	7.850%	11/27/2033	340
11/13/2023	ORLY	O'REILLY AUTOMOTIVE	Baa1/BBB	\$750	5.750%	11/20/2026	95
11/08/2023	PEP	PEPSICO	A1/A+	\$800	5.250%	11/10/2025	35
11/08/2023	PEP	PEPSICO	A1/A+	\$700	5.125%	11/10/2026	43
11/06/2023	SY	SYSO CORP	Baa1/BBB	\$500	5.750%	01/17/2029	120
11/06/2023	SY	SYSO CORP	Baa1/BBB	\$500	6.000%	01/17/2034	147
10/30/2023	BIMBOA	BIMBO BAKERIES USA	Baa1/BBB+	\$450	6.050%	01/15/2029	125
10/30/2023	BIMBOA	BIMBO BAKERIES USA	Baa1/BBB+	\$550	6.400%	01/15/2034	155
10/30/2023	MO	ALTRIA	A3/BBB	\$500	6.200%	11/01/2028	145
10/30/2023	MO	ALTRIA	A3/BBB	\$500	6.875%	11/01/2033	205
10/23/2023	GPC	GENUINE PARTS CO	Baa1/BBB	\$425	6.500%	11/01/2028	180
10/23/2023	GPC	GENUINE PARTS CO	Baa1/BBB	\$375	6.875%	11/01/2033	210
10/19/2023	AZO	AUTOZONE	Baa1/BBB	\$500	6.250%	11/01/2028	132
10/19/2023	AZO	AUTOZONE	Baa1/BBB	\$500	6.550%	11/01/2033	162
10/11/2023	SJM	JM SMUCKER	Baa2/BBB	\$750	5.900%	11/15/2028	130
10/11/2023	SJM	JM SMUCKER	Baa2/BBB	\$1,000	6.200%	11/15/2033	160
10/11/2023	SJM	JM SMUCKER	Baa2/BBB	\$750	6.500%	11/15/2043	163
10/11/2023	SJM	JM SMUCKER	Baa2/BBB	\$1,000	6.500%	11/15/2053	180
10/10/2023	GIS	GENERAL MILLS	Baa2/BBB	\$500	5.500%	10/17/2028	103
10/04/2023	DRI	DARDEN RESTAURANTS	Baa2/BBB	\$500	6.300%	10/10/2033	165
10/02/2023	DGELN	DIAGEO CAPITAL	A3/A-	\$800	5.375%	10/05/2026	60
10/02/2023	DGELN	DIAGEO CAPITAL	A3/A-	\$900	5.625%	10/05/2034	100
09/27/2023	PPC	PILGRIM'S PRIDE CORP	Ba2/BBB-	\$500	6.875%	05/15/2034	250
09/06/2023	NESNVX	NESTLE HOLDINGS	A3/AA-	\$500	5.000%	09/12/2028	57
09/06/2023	NESNVX	NESTLE HOLDINGS	A3/AA-	\$500	5.000%	09/12/2030	67

Source: BofA Global Research, Bloomberg Data excludes FRN

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**Exhibit 12: Retail Historical Spread & Return Monitor**

Benchmark spreads and credit metrics by issuer

	Credit Metrics																		
	Outstanding	Ratings	Current Pricing				5-yr	LTM				Net	Total Debt/		Net Debt/		EV /		
			Bid	YTW	G- spd	T- spd		CDS	Revenue	EBITDAR	Debt		Cash	FCF	EBITDAR	EBITDAR	EV	EBITDAR	
Issuer	Coupon	Maturity	(\$mil)	Mdy/S&P/Fit	Outlook	Bid	YTW	G- spd	T- spd	CDS	Revenue	EBITDAR	Debt	Cash	FCF	EBITDAR	EBITDAR	EV	EBITDAR
Walmart Inc (WMT)	4.100%	4/15/2033	\$1,500	Aa2 / AA / AA	S / S / S	\$96.5	4.57%	46	48	28	\$638,785	\$40,114	\$69,739	\$12,154	\$4,333	1.7x	1.4x	\$542,459	12.9x
Walmart Inc (WMT)	4.500%	4/15/2053	\$1,500	Aa2 / AA / AA	S / S / S	\$92.7	4.97%	68	72										
Costco Wholesale Corp (COST)	1.600%	4/20/2030	\$1,750	Aa3 / A+ / --	S / S / --	\$84.3	4.58%	45	50	33	\$238,710	\$10,798	\$8,884	\$13,700	\$4,818	0.8x	-0.5x	\$322,288	21.6x
Costco Wholesale Corp (COST)	1.750%	4/20/2032	\$1,000	Aa3 / A+ / --	S / S / --	\$81.3	4.53%	42	45										
Nike Inc (NKE)	2.850%	3/27/2030	\$1,500	A1 / AA- / --	S / S / --	\$90.7	4.63%	51	55	70	\$51,469	\$7,294	\$12,177	\$6,178	(\$2,558)	2.1x	1.3x	\$151,899	22.6x
Nike Inc (NKE)	3.375%	3/27/2050	\$1,500	A1 / AA- / --	S / S / --	\$77.0	4.96%	63	68										
Target Corp (TGT)	4.400%	1/15/2033	\$500	A2 / A / A	S / S / S	\$98.1	4.66%	54	57	41	\$106,518	\$7,783	\$18,442	\$1,910	\$1,518	2.4x	2.1x	\$93,904	9.7x
Target Corp (TGT)	4.800%	1/15/2053	\$1,150	A2 / A / A	S / S / S	\$94.3	5.18%	88	93										
TJX Companies Inc (TJX)	1.600%	5/15/2031	\$500	A2 / A / --	S / S / --	\$81.5	4.65%	52	57	174	\$52,326	\$8,340	\$2,861	\$4,290	\$1,465	1.5x	1.0x	\$116,932	17.5x
TJX Companies Inc (TJX)	4.500%	4/15/2050	\$385	A2 / A / --	S / S / --	\$92.4	5.02%	67	74										
Ralph Lauren Corp (RL)	2.950%	6/15/2030	\$750	A3 / A- / --	S / S / --	\$90.0	4.82%	72	74	--	\$6,604	\$919	\$2,882	\$1,804	(\$493)	3.1x	1.2x	\$12,096	7.0x
Amazon.com Inc (AMZN)	3.600%	4/13/2032	\$2,500	A1 / AA / AA-	S / S / S	\$93.2	4.61%	50	53										
Amazon.com Inc (AMZN)	3.950%	4/13/2052	\$2,500	A1 / AA / AA-	S / S / S	\$84.2	5.01%	69	74										
Ross Stores Inc (ROST)	1.875%	4/15/2031	\$500	A2 / BBB+ / --	S / S / --	\$81.8	4.94%	81	86	--	\$19,569	\$3,436	\$5,780	\$4,499	\$595	1.7x	0.4x	\$49,887	18.1x
Best Buy Co Inc (BBY)	1.950%	10/1/2030	\$650	A3 / BBB+ / --	S / S / --	\$83.2	4.98%	87	89	59	\$43,541	\$3,478	\$4,029	\$636	(\$239)	1.2x	1.0x	\$19,508	7.1x
Home Depot Inc (HD)	4.500%	9/15/2032	\$1,250	A2 / A / A	S / S / S	\$98.9	4.66%	55	58	27	\$153,714	\$26,741	\$49,255	\$2,058	\$1,810	2.0x	1.9x	\$421,338	16.1x
Home Depot Inc (HD)	4.950%	9/15/2052	\$1,000	A2 / A / A	S / S / S	\$95.9	5.23%	92	97										
Lowe's Companies Inc (LOW)	5.000%	4/15/2033	\$1,250	Baa1 / BBB+ / --	S / S / --	\$99.9	5.01%	90	92	33	\$90,219	\$14,739	\$40,053	\$1,531	(\$4,932)	2.7x	2.6x	\$178,256	12.2x
Lowe's Companies Inc (LOW)	5.625%	4/15/2053	\$1,500	Baa1 / BBB+ / --	S / S / --	\$100.8	5.56%	126	131										
VF Corp (VFC)	2.950%	4/23/2030	\$750	Baa3 / BBB- / --	N / N / --	\$83.2	6.29%	220	221	152	\$10,820	\$1,008	\$8,151	\$988	(\$1,527)	8.1x	7.1x	\$12,609	9.0x
Tractor Supply (TSCO)	1.750%	11/1/2030	\$650	Baa1 / BBB+ / --	S / S / --	\$81.2	5.13%	105	104	--	\$14,902	\$2,323	\$4,977	\$422	(\$207)	2.1x	2.0x	\$31,698	12.2x
AutoZone Inc (AZO)	4.750%	8/1/2032	\$750	Baa1 / BBB / BBB	S / S / S	\$97.2	5.16%	105	108	34	\$17,457	\$4,471	\$7,669	\$277	(\$1,373)	2.3x	2.3x	\$61,594	12.4x
AutoZone Inc (AZO)	6.550%	11/1/2033	\$500	Baa1 / BBB / BBB	S / S / S	\$109.4	5.26%	115	118										
O' Reilly Automotive (ORLY)	1.750%	3/15/2031	\$500	Baa1 / BBB / --	S / S / --	\$81.0	4.99%	86	90	--	\$15,625	\$4,011	\$7,384	\$83	(\$533)	1.9x	1.9x	\$71,538	16.0x
O' Reilly Automotive (ORLY)	4.700%	6/15/2032	\$850	Baa1 / BBB / --	S / S / --	\$97.8	5.03%	92	94										
Genuine Parts Co. (GPC)	2.750%	2/1/2032	\$500	Baa1 / BBB / --	S / S / --	\$83.4	5.36%	125	128	--	\$23,028	\$2,387	\$4,237	\$655	(\$82)	2.3x	2.1x	\$25,192	9.5x
Genuine Parts Co. (GPC)	6.875%	11/1/2033	\$375	Baa1 / BBB / --	S / S / --	\$110.7	5.41%	130	132										
Advance Auto Parts (AAP)	3.900%	4/15/2030	\$500	Baa3 / BB+ / --	N / S / --	\$90.1	5.85%	176	177	--	\$11,296	\$1,350	\$4,462	\$318	(\$293)	3.3x	2.9x	\$7,854	15.4x
Advance Auto Parts (AAP)	3.500%	3/15/2032	\$501	Baa3 / BB+ / --	N / S / --	\$84.3	6.01%	192	192										
Dollar General Corp (DG)	5.450%	7/5/2033	\$1,000	Baa2 / BBB / --	S / S / --	\$100.7	5.35%	124	126	--	\$39,036	\$5,400	\$18,087	\$365	(\$1,160)	3.3x	3.3x	\$52,257	11.9x
Dollar General Corp (DG)	5.500%	11/1/2052	\$300	Baa2 / BBB / --	S / S / --	\$94.7	5.88%	156	163										
Dollar Tree Inc (DLTR)	2.650%	12/1/2031	\$800	Baa2 / BBB / --	S / S / --	\$84.4	5.13%	101	104	--	\$29,685	\$3,875	\$10,688	\$445	\$175	2.8x	2.6x	\$42,257	9.2x
Dollar Tree Inc (DLTR)	3.375%	12/1/2051	\$400	Baa2 / BBB / --	S / S / --	\$67.3	5.74%	141	148										
Tapestry Inc (TPR)	3.050%	3/15/2032	\$500	Baa2 *- / BBB / --	UR / N / --	\$81.4	6.00%	188	192	--	\$6,668	\$1,699	\$3,247	\$622	\$144	1.9x	1.5x	\$12,679	7.4x
Tapestry Inc (TPR)	7.850%	11/27/2033	\$1,250	Baa2 *- / BBB / --	UR / N / --	\$109.2	6.53%	242	245										
PVH Corp. (PVH)	4.625%	7/10/2025	\$499	Baa3 / BBB- / --	P / P / --	\$98.7	5.67%	80	89	--	\$9,217	\$1,463	\$3,660	\$358	(\$4)	2.5x	2.3x	\$11,296	5.7x
Dick's Sporting Goods (DKS)	3.150%	1/15/2032	\$750	Baa3 / BBB / --	S / S / --	\$84.8	5.56%	145	148	--	\$12,705	\$1,608	\$4,205	\$1,406	(\$64)	2.6x	1.7x	\$17,645	5.2x
Dick's Sporting Goods (DKS)	4.100%	1/15/2052	\$750	Baa3 / BBB / --	S / S / --	\$71.4	6.28%	197	202										
Nordstrom Inc (JWN)	4.250%	8/1/2031	\$425	Ba1 / BB+ / BB+	N / N / S	\$82.8	7.31%	313	323	174	\$14,592	\$1,473	\$4,496	\$375	\$189	3.1x	2.8x	\$6,622	4.7x
Nordstrom Inc (JWN)	5.000%	1/15/2044	\$966	Ba1 / BB+ / BB+	N / N / S	\$69.5	8.12%	366	377										
Kohl's Corporation (KSS)	4.625%	5/1/2031	\$500	Ba3 / BB / BBB-	N / N / N	\$79.1	8.60%	445	451	174	\$17,539	\$1,142	\$8,046	\$190	\$278	7.0x	6.9x	\$10,845	8.3x
Kohl's Corporation (KSS)	5.550%	7/17/2045	\$427	Ba3 / BB / BBB-	N / N / N	\$66.8	9.11%	465	478										

Source: BofA Global Research, Bloomberg

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Exhibit 13: Restaurant, Food & Drug Retail Historical Spread & Return Monitor

Benchmark spread and credit metrics by issuer

																Credit Metrics				
			Outstanding	Ratings	Current Pricing				5-yr	LTM			Net	Total Debt/	Net Debt/	EV /				
Issuer	Coupon	Maturity	(\$mil)	Mdy/S&P/Fit	Outlook	Bid	YTW	G- spd	T- spd	CDS	Revenue	EBITDAR	Debt	Cash	FCF	EBITDAR	EBITDAR	EV	EBITDAR	
Starbucks Corp (SBUX)	2.250%	3/12/2030	\$750	Baa1 / BBB+ / --	S / S / --	\$86.2	4.93%	76	85	--	\$35,976	\$8,741	\$24,600	\$3,953	\$426	2.8x	2.4x	\$124,174	14.1x	
Starbucks Corp (SBUX)	2.550%	11/15/2030	\$1,250	Baa1 / BBB+ / --	S / S / --	\$87.0	4.86%	77	77											
Starbucks Corp (SBUX)	3.000%	2/14/2032	\$1,000	Baa1 / BBB+ / --	S / S / --	\$87.8	4.88%	77	79											
Starbucks Corp (SBUX)	4.800%	2/15/2033	\$500	Baa1 / BBB+ / --	S / S / --	\$99.4	4.88%	77	80											
Starbucks Corp (SBUX)	3.350%	3/12/2050	\$500	Baa1 / BBB+ / --	S / S / --	\$71.8	5.38%	103	109											
Starbucks Corp (SBUX)	3.500%	11/15/2050	\$1,250	Baa1 / BBB+ / --	S / S / --	\$74.1	5.33%	101	105											
McDonald's Corp (MCD)	3.600%	7/1/2030	\$1,000	Baa1 / BBB+ / --	S / S / --	\$93.4	4.84%	74	75	24	\$25,014	\$15,156	\$49,082	\$3,496	\$358	3.3x	3.1x	\$259,856	17.0x	
McDonald's Corp (MCD)	4.600%	9/9/2032	\$750	Baa1 / BBB+ / --	S / S / --	\$99.2	4.72%	61	63											
McDonald's Corp (MCD)	4.950%	8/14/2033	\$600	Baa1 / BBB+ / --	S / S / --	\$100.4	4.89%	78	81											
McDonald's Corp (MCD)	4.200%	4/1/2050	\$750	Baa1 / BBB+ / --	S / S / --	\$83.4	5.39%	107	111											
McDonald's Corp (MCD)	5.150%	9/9/2052	\$750	Baa1 / BBB+ / --	S / S / --	\$96.5	5.39%	109	113											
McDonald's Corp (MCD)	5.450%	8/14/2053	\$800	Baa1 / BBB+ / --	S / S / --	\$100.9	5.39%	109	114											
Kroger Co (KR)	1.700%	1/15/2031	\$500	Baa1 / BBB / --	N / N / --	\$80.6	5.09%	96	101	41	\$147,798	\$7,946	\$19,839	\$1,725	\$1,330	2.5x	2.3x	\$58,972	6.7x	
Kroger Co (KR)	5.400%	1/15/2049	\$600	Baa1 / BBB / --	N / N / --	\$98.3	5.52%	116	123											
Kroger Co (KR)	3.950%	1/15/2050	\$750	Baa1 / BBB / --	N / N / --	\$79.7	5.42%	108	114											
7-Eleven Inc. (SVELEV)	1.800%	2/10/2031	\$1,700	Baa2 / A / --	S / S / --	\$80.5	5.19%	110	111	--	--	--	--	--	--	--	--	--	--	
7-Eleven Inc. (SVELEV)	2.800%	2/10/2051	\$1,250	Baa2 / A / --	S / S / --	\$62.8	5.45%	114	117											
Alimentation Couche-Tard (ATDBCN)	2.950%	1/25/2030	\$750	Baa1 / BBB+ / --	S / S / --	\$89.9	4.95%	86	88	--	\$68,368	\$5,791	\$9,466	\$1,405	(\$229)	1.6x	1.4x	\$67,715	10.1x	
Alimentation Couche-Tard (ATDBCN)	3.625%	5/13/2051	\$350	Baa1 / BBB+ / --	S / S / --	\$74.5	5.43%	111	116											
Darden Restaurant Inc (DRI)	3.850%	5/1/2027	\$500	Baa2 / BBB / BBB	S / S / S	\$96.5	5.06%	79	80	43	\$10,772	\$3,875	\$8,965	\$192	(\$157)	3.4x	3.3x	\$27,284	12.8x	
Darden Restaurant Inc (DRI)	6.300%	10/10/2033	\$500	Baa2 / BBB / BBB	S / S / S	\$105.6	5.53%	141	144											
Darden Restaurant Inc (DRI)	4.550%	2/15/2048	\$300	Baa2 / BBB / BBB	S / S / S	\$82.7	5.91%	154	161											
Albertson Cos Inc (ACI)	4.875%	2/15/2030	\$1,000	Ba3 *+ / BB+ *+ / --	-- / -- / --	\$94.3	6.04%	192	196	90	\$79,163	\$3,862	\$15,036	\$223	(\$3,537)	3.9x	3.8x	\$26,554	5.5x	

Source: BofA Global Research, Bloomberg

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Exhibit 14: Consumer Products Historical Spread & Return Monitor

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing			5-yr CDS	Revenue	LTM			Net FCF	Credit Metrics			EV / EBITDA	
						Bid	YTW	G-sp d			T-sp d	EBITDA	Debt		Cash	Total Debt/ EBITDA	Net Debt/ EBITDA		EV
Procter & Gamble (PG)	2.300%	2/1/2032	\$850	Aa3 / AA- / --	S / S / --	\$86.3	4.36%	26	28	22	\$83,265	\$22,375	\$35,880	\$9,733	\$2,091	1.6x	1.2x	\$405,832	18.1x
Procter & Gamble (PG)	4.050%	1/26/2033	\$850	Aa3 / AA- / --	S / S / --	\$97.0	4.46%	35	37										
Procter & Gamble (PG)	3.600%	3/25/2050	\$491	Aa3 / AA- / --	S / S / --	\$83.2	4.73%	39	45										
Colgate-Palmolive Co (CL)	3.250%	8/15/2032	\$500	Aa3 / AA- / --	S / N / --	\$91.0	4.55%	42	47	35	\$19,136	\$4,455	\$8,724	\$951	(\$136)	2.1x	1.9x	\$81,046	15.7x
Colgate-Palmolive Co (CL)	4.600%	3/1/2033	\$500	Aa3 / AA- / --	S / N / --	\$100.6	4.51%	39	43										
Colgate-Palmolive Co (CL)	3.700%	8/1/2047	\$500	Aa3 / AA- / --	S / N / --	\$84.0	4.85%	47	54										
Unilever Capital Corp (UNANA)	1.750%	8/12/2031	\$850	A1 / A+ / Au	S / S / S	\$81.6	4.72%	61	64	17	\$59,604	\$10,350	\$29,622	\$4,159	\$1,661	2.9x	2.5x	\$139,189	11.6x
Unilever Capital Corp (UNANA)	5.000%	12/8/2033	\$800	A1 / A+ / Au	S / S / S	\$101.3	4.83%	71	74										
Unilever Capital Corp (UNANA)	2.625%	8/12/2051	\$650	A1 / A+ / Au	S / S / S	\$65.7	4.91%	59	64										
Kimberly-Clark Corp (KMB)	2.000%	11/2/2031	\$600	A2 / A / --	S / S / --	\$83.2	4.64%	52	55	42	\$20,425	\$3,752	\$8,090	\$814	\$978	2.2x	2.0x	\$50,004	10.8x
Kimberly-Clark Corp (KMB)	4.500%	2/16/2033	\$350	A2 / A / --	S / S / --	\$98.9	4.65%	51	56										
Kimberly-Clark Corp (KMB)	2.875%	2/7/2050	\$500	A2 / A / --	S / S / --	\$68.9	5.04%	68	75										
SC Johnson & Son Inc (SCJOHN)	4.750%	10/15/2046	\$850	A- / BBB+ / --	S / N / --	\$89.8	5.54%	117	123	--	--	--	--	--	--	--	--	--	--
Estee Lauder Co Inc (EL)	4.650%	5/15/2033	\$700	A1 / A / --	N / N / --	\$98.3	4.88%	77	79	--	\$15,545	\$2,032	\$8,093	\$3,090	(\$283)	4.2x	3.0x	\$60,711	25.6x
Estee Lauder Co Inc (EL)	5.150%	5/15/2053	\$600	A1 / A / --	N / N / --	\$97.3	5.33%	104	108										
Kenvue (KVUE)	5.000%	3/22/2030	\$973	A1 / A / --	S / S / --	\$101.1	4.78%	71	70	--	\$14,950	\$3,624	\$8,198	\$1,062	\$2,119	2.3x	2.0x	\$45,076	12.4x
Kenvue (KVUE)	4.900%	3/22/2033	\$1,224	A1 / A / --	S / S / --	\$100.1	4.88%	77	80										
Kenvue (KVUE)	5.050%	3/22/2053	\$1,500	A1 / A / --	S / S / --	\$98.2	5.17%	87	92										
Reckitt Benckiser TSY (RKTLLN)	3.000%	6/26/2027	\$2,500	A3 / A- / --	S / S / --	\$94.4	4.87%	60	63	--	\$13,234	\$3,239	\$9,637	\$1,259	\$1,258	3.0x	2.6x	\$53,852	16.6x
Church & Dwight Co Inc (CHD)	5.600%	11/15/2032	\$500	A3 / BBB+ / --	S / S / --	\$104.7	4.91%	79	83	--	\$5,776	\$1,307	\$2,405	\$573	\$792	1.9x	1.5x	\$27,772	19.2x
Church & Dwight Co Inc (CHD)	3.950%	8/1/2047	\$400	A3 / BBB+ / --	S / S / --	\$81.1	5.38%	101	107										
Church & Dwight Co Inc (CHD)	5.000%	6/15/2052	\$500	A3 / BBB+ / --	S / S / --	\$95.7	5.29%	96	103										
Clorox Company (CLX)	1.800%	5/15/2030	\$500	Baa1 / BBB+ / --	S / N / --	\$83.6	4.92%	81	84	58	\$7,035	\$1,074	\$2,913	\$518	\$247	2.9x	2.5x	\$22,301	15.8x
Clorox Company (CLX)	4.600%	5/1/2032	\$600	Baa1 / BBB+ / --	S / N / --	\$98.1	4.88%	77	79										
Haleon Plc (HLNLLN)	3.625%	3/24/2032	\$1,998	Baa1 / BBB / --	S / -- / --	\$90.28	5.12%	101	103	--	\$9,545	\$2,413	\$9,782	\$405	\$25	4.1x	3.9x	\$38,861	16.1x
Haleon Plc (HLNLLN)	4.000%	3/24/2052	\$1,000	Baa1 / BBB / --	S / -- / --	\$80.8	5.33%	100	106										
Whirlpool Corp (WHR)	4.700%	5/14/2032	\$300	Baa2 / BBB / BBB	S / N / N	\$94.9	5.48%	135	139	139	\$19,290	\$1,489	\$7,664	\$1,123	(\$197)	5.3x	4.4x	\$12,569	7.6x
Whirlpool Corp (WHR)	5.500%	3/1/2033	\$300	Baa2 / BBB / BBB	S / N / N	\$99.5	5.58%	145	149										
Whirlpool Corp (WHR)	4.600%	5/15/2050	\$500	Baa2 / BBB / BBB	S / N / N	\$81.2	6.04%	169	175										
Hasbro Inc (HAS)	3.900%	11/19/2029	\$900	Baa2 / BBB / BBB-	N / N / N	\$92.6	5.43%	135	135	94	\$5,393	\$1,026	\$3,715	\$186	(\$146)	3.6x	3.5x	\$10,187	14.3x
Hasbro Inc (HAS)	5.100%	5/15/2044	\$300	Baa2 / BBB / BBB-	N / N / N	\$86.2	6.32%	193	198										
Brunswick Corp (BC)	2.400%	8/18/2031	\$550	Baa2 / BBB- / BBB	S / P / S	\$80.4	5.67%	159	159	174	\$6,401	\$1,008	\$2,593	\$468	\$57	2.6x	2.1x	\$8,354	7.6x
Brunswick Corp (BC)	4.400%	9/15/2032	\$450	Baa2 / BBB- / BBB	S / P / S	\$90.4	5.85%	173	177										
Brunswick Corp (BC)	5.100%	4/1/2052	\$300	Baa2 / BBB- / BBB	S / P / S	\$80.3	6.66%	233	240										
Mattel Inc (MAT)	3.750%	4/1/2029	\$600	Baa3 / BBB / BBB-	S / S / S	\$92.1	5.57%	143	149	230	\$5,441	\$739	\$2,590	\$1,261	\$710	3.5x	1.8x	\$8,289	9.8x
Newell Brands Inc (NWL)	6.625%	9/15/2029	\$500	Ba3 / BB- / BB-	N / N / S	\$96.5	7.41%	329	333	358	\$8,133	\$1,226	\$5,472	\$332	\$462	4.5x	4.2x	\$8,415	8.6x
Newell Brands Inc (NWL)	6.500%	4/1/2046	\$666	Ba3 / BB- / BB-	N / N / S	\$81.1	8.98%	462	465										

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 15: Packaged Food Spread & Return Monitor

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing			5-yr CDS	Revenue	LTM EBITDA	Debt	Cash	Net FCF	Credit Metrics				
						Bid	YTW	G- spd							T- spd	Total Debt/	Net Debt/	EV /	
						EBITDA	EBITDA	EV	EBITDA										
Nestle Holdings Inc. (NESNVX)	4.850%	3/14/2033	\$650	Aa3 / AA- / A+	S / S / S	\$100.7	4.76%	57	67	25	CHF 93,351	CHF 17,521	CHF 54,434	CHF 4,816	(CHF 2,836)	3.1x	2.8x	\$299,701	18.5x
Nestle Holdings Inc. (NESNVX)	4.700%	1/15/2053	\$1,000	Aa3 / AA- / A+	S / S / S	\$95.0	5.03%	74	78										
Hershey Company (HSY)	4.500%	5/4/2033	\$400	A1 / A / --	S / S / --	\$98.9	4.65%	56	56	30	\$11,160	\$3,113	\$4,914	\$471	\$521	1.7x	1.6x	\$44,565	13.5x
Hershey Company (HSY)	2.650%	6/1/2050	\$350	A1 / A / --	S / S / --	\$65.6	5.02%	68	74										
Mars Inc. (MARS)	1.625%	7/16/2032	\$700	A1 / A+ / --	S / S / --	\$78.0	4.87%	75	78	--	--	--	--	--	--	--	--	--	--
Mars Inc. (MARS)	2.450%	7/16/2050	\$400	A1 / A+ / --	S / S / --	\$61.3	5.15%	84	87										
Hormel Foods (HRL)	1.800%	6/11/2030	\$1,000	A1 / A- / --	N / S / --	\$84.0	4.80%	69	71	--	\$12,195	\$1,314	\$3,445	\$963	\$172	2.6x	1.9x	\$21,059	14.3x
Hormel Foods (HRL)	3.050%	6/3/2051	\$600	A1 / A- / --	N / S / --	\$68.5	5.23%	91	96										
Archer-Daniels-Midland Co (ADM)	4.500%	8/15/2033	\$500	A2 *- / A *- / A	-- / -- / S	\$96.4	4.98%	88	89	45	\$97,188	\$3,306	\$10,288	\$1,498	(\$190)	3.1x	2.7x	\$37,563	10.9x
Archer-Daniels-Midland Co (ADM)	2.700%	9/15/2051	\$750	A2 *- / A *- / A	-- / -- / S	\$64.4	5.13%	83	86										
Cargill Inc (CARGIL)	4.750%	4/24/2033	\$500	A2 / A / A	S / S / S	\$96.9	5.17%	93	109	55	--	--	--	--	--	--	--	--	--
Cargill Inc (CARGIL)	4.375%	4/22/2052	\$500	A2 / A / A	S / S / S	\$87.2	5.25%	92	99										
Danone SA (BNFP)	0.395%	6/10/2029	\$800	Baa1 / BBB+ / --	S / S / --	\$86.7	3.20%	90	86	31	\$27,619	\$4,787	\$16,250	\$2,363	\$1,316	3.4x	2.9x	\$50,114	11.1x
Mondelez International Holdings Netherlands BV (MIHN)	1.250%	9/24/2026	\$350	A3 / BBB / --	S / S / --	\$91.1	5.04%	66	67										
Mondelez International (MDLZ)	3.000%	3/17/2032	\$750	Baa1 / BBB / --	S / S / --	\$86.8	5.03%	89	94	42	\$35,397	\$6,803	\$19,986	\$1,610	\$530	3.2x	2.9x	\$115,638	16.3x
Mondelez International (MDLZ)	2.625%	9/4/2050	\$1,125	Baa1 / BBB / WD	S / S / --	\$63.4	5.18%	83	90										
Ingredion Inc (INGR)	2.900%	6/1/2030	\$600	Baa1 / BBB / BBB	S / S / S	\$88.9	5.00%	90	92	--	\$8,226	\$1,148	\$2,406	\$335	\$123	2.2x	1.9x	\$9,719	7.3x
Ingredion Inc (INGR)	3.900%	6/1/2050	\$400	Baa1 / BBB / BBB	S / S / S	\$74.1	5.84%	149	156										
Sysco Corporation (SYN)	2.450%	12/14/2031	\$450	Baa1 / BBB / BBB	S / S / S	\$83.4	5.07%	94	98	59	\$76,818	\$3,954	\$11,698	\$569	\$739	3.0x	2.8x	\$52,136	11.4x
Sysco Corporation (SYN)	6.000%	1/17/2034	\$500	Baa1 / BBB / BBB	S / S / S	\$106.3	5.16%	105	108										
Sysco Corporation (SYN)	3.150%	12/14/2051	\$800	Baa1 / BBB / BBB	S / S / S	\$68.8	5.32%	99	105										
McCormick & Co (MKC)	4.950%	4/15/2033	\$500	Baa2 / BBB / --	S / S / --	\$98.8	5.11%	102	103	--	\$6,605	\$1,311	\$4,777	\$155	\$344	3.6x	3.6x	\$22,949	16.9x
McCormick & Co (MKC)	4.200%	8/15/2047	\$300	Baa2 / BBB / --	S / S / --	\$83.2	5.48%	112	117										
General Mills Inc (GIS)	4.950%	3/29/2033	\$1,000	Baa2 / BBB / --	S / S / --	\$98.9	5.11%	98	102	34	\$20,281	\$4,109	\$12,282	\$491	(\$516)	3.1x	3.0x	\$49,271	14.8x
General Mills Inc (GIS)	3.000%	2/1/2051	\$605	Baa2 / BBB / --	S / S / --	\$65.8	5.44%	109	116										
Kellanova (K)	5.250%	3/1/2033	\$400	Baa2 / NR / BBB	S / -- / S	\$99.9	5.27%	114	118	65	\$15,866	\$2,536	\$7,674	\$1,099	\$440	3.7x	3.3x	\$24,977	11.7x
Kellanova (K)	4.500%	4/1/2046	\$650	Baa2 / NR / BBB	S / -- / S	\$87.8	5.46%	111	114										
Flowers Foods Inc (FLO)	2.400%	3/15/2031	\$500	Baa2 / BBB / BBB	S / S / S	\$84.3	5.09%	101	100	--	\$5,091	\$571	\$1,333	\$23	(\$21)	2.3x	2.3x	\$6,138	10.7x
JM Smucker Co (SJM)	6.200%	11/15/2033	\$1,000	Baa2 / BBB / --	S / N / --	\$107.1	5.23%	111	115	--	\$8,461	\$1,668	\$4,495	\$241	(\$229)	2.6x	2.4x	\$21,476	11.5x
JM Smucker Co (SJM)	6.500%	11/15/2053	\$1,000	Baa2 / BBB / --	S / N / --	\$110.6	5.74%	145	149										
Tyson Foods Inc (TSN)	4.350%	3/1/2029	\$1,000	Baa2 / BBB / BBB	N / S / S	\$95.5	5.38%	127	131	58	\$52,999	\$2,149	\$9,506	\$573	(\$1,200)	4.4x	4.2x	\$27,575	11.4x
Tyson Foods Inc (TSN)	5.100%	9/28/2048	\$1,500	Baa2 / BBB / BBB	N / S / S	\$89.8	5.90%	154	160										
Campbell Soup Co (CPB)	2.375%	4/24/2030	\$500	Baa2 / BBB- / BBB *-	S / S / --	\$85.9	5.08%	98	100	47	\$9,357	\$1,753	\$4,689	\$189	\$206	2.9x	2.8x	\$17,310	10.1x
Campbell Soup Co (CPB)	3.125%	4/24/2050	\$500	Baa2 / BBB- / BBB *-	S / S / --	\$66.0	5.62%	128	134										
Conagra Brands Inc (CAG)	7.000%	10/1/2028	\$382	Baa3 / BBB- / BBB-	S / S / S	\$107.5	5.12%	96	101	42	\$12,277	\$2,586	\$9,274	\$93	\$61	3.6x	3.6x	\$22,548	11.1x
Conagra Brands Inc (CAG)	5.400%	11/1/2048	\$1,000	Baa3 / BBB- / BBB-	S / S / S	\$93.9	5.87%	152	157										
Kraft Heinz Foods Co (KHC)	3.750%	4/1/2030	\$741	Baa2 / BBB / BBB	S / P / S	\$94.2	4.88%	79	80	48	\$27,161	\$6,400	\$19,878	\$1,053	\$545	3.1x	2.9x	\$61,752	9.6x
Kraft Heinz Foods Co (KHC)	4.375%	6/1/2046	\$2,786	Baa2 / BBB / BBB	S / P / S	\$84.4	5.61%	125	129										
Kraft Heinz Foods Co (KHC)	4.875%	10/1/2049	\$1,450	Baa2 / BBB / BBB	S / P / S	\$90.4	5.59%	125	130										
JBS USA (JBSSBZ)	6.750%	3/15/2034	\$1,600	Baa3 / BBB- / BBB-	S / S / S	\$104.2	6.18%	207	209	--	R\$ 360,341	R\$ 16,494	R\$ 101,338	R\$ 26,790	-R\$ 5,989	6.1x	4.5x	R\$ 141,077	4.0x
JBS USA (JBSSBZ)	7.250%	11/15/2053	\$900	Baa3 / BBB- / BBB-	S / S / S	\$105.8	6.79%	250	254										
Pilgrim's Pride (PPC)	6.250%	7/1/2033	\$1,000	Ba2 / BBB- / BBB-	S / N / S	\$102.3	5.91%	182	183	--	\$17,362	\$942	\$3,703	\$698	\$134	3.9x	3.2x	\$10,681	8.7x
Pilgrim's Pride (PPC)	6.875%	5/15/2034	\$500	Ba2 / BBB- / BBB-	S / N / S	\$106.6	5.99%	188	190										
Smithfield Foods Inc (SFD)	2.625%	9/13/2031	\$500	Ba1 / BBB- / BBB	S / S / S	\$77.7	6.41%	230	232	42	--	--	--	--	--	--	--	--	--

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH





Exhibit 16: Beverages Historical Spread & Return Monitor

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing			5-yr CDS	LTM				Net FCF	Credit Metrics				
						Bid	YTW	G- spd		T- spd	Revenue	EBITDA	Debt		Cash	Total Debt/ EBITDA	Net Debt/ EBITDA	EV EBITDA	
The Coca-Cola Co. (KO)	2.250%	1/5/2032	\$2,000	A1 / A+ / WD	S / S / --	\$85.0	4.55%	44	47	42	\$45,031	\$16,079	\$40,171	\$11,883	\$1,741	2.5x	1.5x	\$288,536	19.2x
The Coca-Cola Co. (KO)	3.000%	3/5/2051	\$1,700	A1 / A+ / WD	S / S / --	\$71.4	4.93%	61	65										
Coca-Cola European Partners (CCEP)	1.500%	1/15/2027	\$500	Baa1 / -- / BBB+	S / -- / S	\$90.8	5.00%	69	70	--	\$18,302	\$3,131	\$11,396	\$1,419	\$1,111	3.6x	3.2x	\$39,049	11.5x
PepsiCo Inc (PEP)	4.450%	2/15/2033	\$1,000	A1 / A+ / --	S / S / --	\$98.8	4.62%	49	54	42	\$91,617	\$16,953	\$44,774	\$10,283	(\$550)	3.0x	2.4x	\$261,760	15.5x
PepsiCo Inc (PEP)	2.750%	10/21/2051	\$1,000	A1 / A+ / --	S / S / --	\$66.8	4.98%	67	71										
PepsiCo Inc (PEP)	4.650%	2/15/2053	\$500	A1 / A+ / --	S / S / --	\$94.5	5.01%	71	76										
Brown-Forman Corp (BFB)	4.750%	4/15/2033	\$650	A1 / A- / --	S / S / --	\$99.9	4.77%	66	68	--	\$4,272	\$1,355	\$3,110	\$373	\$79	2.3x	2.1x	\$28,783	25.2x
Brown-Forman Corp (BFB)	4.500%	7/15/2045	\$500	A1 / A- / WD	S / S / --	\$90.7	5.23%	85	90										
Diageo Investment Corp (DGELN)	5.500%	1/24/2033	\$750	A3 / A- / A-u	S / S / S	\$104.0	4.92%	81	84	24	£17,113	£6,120	£16,502	£1,439	-£1,382	2.7x	2.5x	£77,061	12.6x
Diageo Investment Corp (DGELN)	1.875%	6/8/2034	\$900	A3 / A- / A-u	S / S / S	\$86.9	3.42%	112	110										
Diageo Investment Corp (DGELN)	3.875%	4/29/2043	\$500	A3 / A- / A-u	S / S / S	\$84.5	5.16%	80	83										
Anheuser-Busch InBev Fin (ABIBB)	4.900%	1/23/2031	\$750	A3 / A- / --	S / S / --	\$101.3	4.68%	55	59	62	\$59,091	\$19,928	\$80,900	\$6,848	\$4,662	4.1x	3.7x	\$203,493	10.2x
Anheuser-Busch InBev Fin (ABIBB)	4.900%	2/1/2046	\$9,519	A3 / A- / --	S / S / --	\$95.8	5.22%	85	90										
Anheuser-Busch InBev Fin (ABIBB)	4.500%	6/1/2050	\$1,102	A3 / A- / --	S / S / --	\$90.5	5.16%	83	88										
Heineken NV (HEIANA)	1.750%	3/17/2031	\$750	A3 / BBB+ / --	S / S / --	\$90.0	3.38%	113	111	29	€ 29,725	€ 5,824	€ 19,857	€ 2,168	-€ 1,560	3.4x	3.0x	€ 68,522	10.8x
Heineken NV (HEIANA)	4.350%	3/29/2047	\$650	A3 / BBB+ / --	S / S / --	\$87.9	5.26%	90	95										
Pernod Ricard SA (RIFP)	1.625%	4/1/2031	\$900	Baa1 / BBB+ / BBB+	S/S/S	\$80.0	5.03%	92	95	62	€ 12,136	€ 3,765	€ 10,741	€ 1,624	(€ 427)	2.9x	2.4x	€ 50,742	16.7x
Pernod Ricard SA (RIFP)	2.750%	10/1/2050	\$500	Baa1 / BBB+ / BBB+	S/S/S	\$63.9	5.29%	95	102										
Suntory Holdings LTD (SUNTOR)	6.625%	7/15/2028	\$184	Baa1 / BBB+ / WD	S / S / --	\$105.5	5.20%	104	106	--	¥2,952	¥439	¥1,348	¥319	¥85	3.1x	2.3x		
JAB Holdings BV (JABHOL)	1.000%	7/14/2031	\$306	Baa1 / BBB+ / --	S / S / --	\$84.3	3.46%	121	120	--	--	--	--	--	--	--	--	--	--
JAB Holdings BV (JABHOL)	3.750%	5/28/2051	\$500	Baa1 / BBB+ / --	S / S / --	\$65.8	6.42%	209	215										
JAB Holdings BV (JABHOL)	4.500%	4/8/2052	\$500	Baa1 / BBB+ / --	S / S / --	\$75.4	6.39%	208	213										
Keurig Dr Pepper (KDP)	4.050%	4/15/2032	\$850	Baa1 / BBB / --	S / S / --	\$93.1	5.10%	97	101	--	\$14,750	\$4,116	\$12,860	\$260	(\$467)	3.1x	3.1x	\$54,920	14.2x
Keurig Dr Pepper (KDP)	3.350%	3/15/2051	\$500	Baa1 / BBB / --	S / S / --	\$70.0	5.49%	117	122										
Keurig Dr Pepper (KDP)	4.500%	4/15/2052	\$1,150	Baa1 / BBB / --	S / S / --	\$85.8	5.50%	120	124										
Constellation Brands Inc (STZ)	4.750%	5/9/2032	\$700	Baa3 / BBB / --	S / S / --	\$97.3	5.17%	104	108	96	\$9,786	\$3,486	\$11,707	\$83	\$686	3.2x	3.2x	\$59,243	15.8x
Constellation Brands Inc (STZ)	4.900%	5/1/2033	\$750	Baa3 / BBB / --	S / S / --	\$98.0	5.18%	106	109										
Constellation Brands Inc (STZ)	3.750%	5/1/2050	\$600	Baa3 / BBB / --	S / S / --	\$75.5	5.53%	118	125										
Molson Coors Brewing Co (TAP)	3.000%	7/15/2026	\$2,000	Baa2 / BBB / WD	P / S / --	\$95.4	5.08%	62	67	52	\$11,541	\$2,412	\$6,180	\$802	\$950	2.7x	2.3x	\$19,448	7.5x
Molson Coors Brewing Co (TAP)	4.200%	7/15/2046	\$1,800	Baa2 / BBB / WD	P / S / --	\$83.2	5.52%	116	120										
Bacardi LTD (BACARD)	5.400%	6/15/2033	\$700	Baa3 / BBB- / BBB-	-- / -- / --	\$99.9	5.41%	129	132	--	--	--	--	--	--	--	--	--	--
Bacardi LTD (BACARD)	5.900%	6/15/2043	\$400	Baa3 / BBB- / BBB-	-- / -- / --	\$101.3	5.79%	142	147										
Bacardi LTD (BACARD)	5.300%	5/15/2048	\$700	Baa3 / BBB- / BBB-	S / S / S	\$94.3	5.74%	139	144										
JDE Peet's NV (JDEPNA)	2.250%	9/24/2031	\$500	Baa3 / BBB- / BBB	S / S / S	\$79.5	5.62%	150	153	--	€ 8,191	€ 1,323	€ 5,915	€ 2,048	€ 228	4.5x	2.9x	€ 14,154	8.9x

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 17: Tobacco Historical Return & Spread Monitor

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing			5-yr CDS	LTM				Net FCF	Credit Metrics				
						Bid	YTW	G- spd		T- spd	Revenue	EBITDA	Debt		Cash	Total Debt/ EBITDA	Net Debt/ EBITDA	EV EV	EV / EBITDA
Japan Tobacco (JAPTOB)	2.250%	9/14/2031	\$625	A2 / A+ / --	S / -- / --	\$82.7	5.06%	94	97		¥2,841,077	¥843,731	¥1,142,259	¥1,040,206	¥104,821	1.4x	0.1x	¥299,701	0.4x
Japan Tobacco (JAPTOB)	3.300%	9/14/2051	\$400	A2 / A+ / --	S / -- / --	\$67.8	5.62%	128	135										
Philip Morris Intl Inc (PM)	1.750%	11/1/2030	\$750	A2 / A- / A	S / S / N	\$81.8	5.00%	89	91	42	\$34,359	\$14,111	\$47,715	\$3,017	(\$276)	3.5x	3.3x	\$191,101	13.5x
Philip Morris Intl Inc (PM)	5.750%	11/17/2032	\$1,500	A2 / A- / A	S / S / N	\$102.9	5.32%	120	124										
Philip Morris Intl Inc (PM)	5.375%	2/15/2033	\$2,250	A2 / A- / A	S / S / N	\$100.4	5.32%	121	123										
Philip Morris Intl Inc (PM)	5.625%	9/7/2033	\$1,000	A2 / A- / A	S / S / N	\$102.0	5.35%	124	126										
Philip Morris Intl Inc (PM)	4.250%	11/10/2044	\$1,250	A2 / A- / A	S / S / N	\$84.3	5.54%	116	120										
Altria Group (MO)	3.125%	6/15/2031	\$1,250	A3 / BBB / BBB	S / P / S	\$92.3	4.39%	205	213	42	\$20,561	\$12,131	\$25,098	\$1,537	\$641	2.1x	2.0x	\$96,539	8.0x
Altria Group (MO)	2.450%	2/4/2032	\$1,750	A3 / BBB / BBB	S / P / S	\$81.0	5.44%	132	136										
Altria Group (MO)	6.875%	11/1/2033	\$500	A3 / BBB / BBB	S / P / S	\$108.9	5.64%	153	156										
Altria Group (MO)	5.375%	1/31/2044	\$1,800	A3 / BBB / BBB	S / P / S	\$97.5	5.58%	117	124										
Altria Group (MO)	3.700%	2/4/2051	\$1,250	A3 / BBB / BBB	S / P / S	\$69.1	6.03%	171	176										
British American Tobacco (BATSLN)	2.726%	3/25/2031	\$1,250	Baa2 / BBB+ / BBB	P / N / P	\$83.25	5.64%	151	156	61	£28,227	£13,906	£42,169	£3,681	£2,318	3.0x	2.8x	\$85,974	6.2x
British American Tobacco (BATSLN)	7.750%	10/19/2032	\$600	Baa2 / BBB+ / BBB	P / N / P	\$111.9	5.93%	179	184										
British American Tobacco (BATSLN)	4.742%	3/16/2032	\$900	Baa2 / BBB+ / BBB	P / N / P	\$94.4	5.62%	149	154										
British American Tobacco (BATSLN)	6.421%	8/2/2033	\$1,250	Baa2 / BBB+ / BBB	P / N / P	\$103.2	5.96%	184	187										
British American Tobacco (BATSLN)	5.282%	4/2/2050	\$500	Baa2 / BBB+ / BBB	P / N / P	\$83.4	6.63%	228	235										
British American Tobacco (BATSLN)	3.984%	9/25/2050	\$1,000	Baa2 / BBB+ / BBB	P / N / P	\$68.5	6.49%	215	221										
British American Tobacco (BATSLN)	5.650%	3/16/2052	\$600	Baa2 / BBB+ / BBB	P / N / P	\$87.8	6.62%	229	235										
British American Tobacco (BATSLN)	7.081%	8/2/2053	\$1,000	Baa2 / BBB+ / BBB	P / N / P	\$104.8	6.71%	241	245										
Imperial Brands Fin Plc (IMBLN)	3.875%	7/26/2029	\$1,000	Baa3 / BBB / BBB	S / S / S	\$93.4	5.31%	122	123	67	£7,961	£4,073	£10,249	£596	(£186)	2.5x	2.4x	£23,752	5.8x

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH



Valuation & risk

Campbell Soup Co. (CPB)

Campbell Soup (CPB) is an iconic food manufacturer with market-leading brands in the soup, sauces, snacks, and beverages categories bolstered by entrenched 41% family ownership. Its well-diversified portfolio of resilient brands, with increased focus on fast growing snacks while managing the competitive cash-generative soup business, is backed by a disciplined financial policy and improving margins. The announcement of the complementary Sovos Brands acquisition helps CPB expand its premium offerings in the pasta sauce & frozen category and is a strategic fit for the portfolio despite elevated leverage. Rounding out our recommendation are strong realized productivity, cost savings/synergy opportunity, and attractive spread pickup vs. BBB food peers. This leads us to our Overweight positioning in cash on a company and issuer level. On the downside, we remain cognizant of stale legacy brands and heavy investment spend (narrow net free cash flow) required to support soup as well as an elongated deleveraging path post acquisition. In CDS, risk/reward is balanced due to tight trading levels offset by limited rating risk & achievable deleverage back to 3x that we forecast by FY26.

Keurig Dr. Pepper (KDP)

Keurig Dr. Pepper, a leader in U.S. at-home coffee and flavored beverages, benefits from a diverse and on-trend portfolio, top-tier distribution system, efficient cost and cash flow optimization, and strong management team that is committed to an IG rating. Our Overweight rating is based on KDP's ability to sustain above-average industry growth and EBITDA margin expansion, benefitting from structurally improved consumption following COVID-19, while further improving the balance sheet and leverage metrics. Relative value is overall attractive based on relative growth prospects, successful integration & deleveraging, superior credit metrics, and disciplined financial policy (favoring partnerships over high multiple M&A) compared to BBB food & beverage peers. Risks are structural contraction in some of KDP's important soft drink & juice segments, less geographical diversification vs. peers, an expected penchant for platform expansion, supply chain financing risks, and significant insider influence.

Kroger Co. (KR)

Kroger (KR) is a best-in-class food retailer that maintains a competitive advantage vs. national and regional peers due to management's long-term investment in service, product quality, productivity, and technology. KR demonstrates conservative financial policies and balance sheet management, which has historically allowed valuation to trade closer to BBB non-cyclicals than grocery or drug retail, despite significantly lower margins. Bonds, rated Marketweight, fairly reflect the stability of the business model, EBITDA and cash flows offset by investment headwinds & new competitor risks. In CDS we are Sell Protection. Downside risks are intense competition, increased management willingness to pursue acquisitions or shareholder returns, deflationary pressure in consumables hurting IDs, and slow deleverage following the acquisition of Albertsons. Heavy pension obligations and labor negotiation risks remain a long-term headwind. Upside risks are increasing market share from additional fill-in opportunities, KR's superior positioning on price and format competitiveness.

Analyst Certification

I, Brian Callen, CFA, 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.



Security/Loan pricing

Campbell Soup Company / CPB

	Amt		Ratings			Yield	Spread
Security		Maturity date	Moody's/S&P/Fitch	Price	Price date	(%)	(bps)
4.15, Senior, USD, 2028:B	1,000	15-MAR-2028	Baa2/BBB-/BBB	97.20	08-Mar-2024	4.93	76
2.375, Senior, USD, 2030:B	500	24-APR-2030	Baa2/BBB-/BBB	85.85	08-Mar-2024	5.09	103
4.8, Senior, USD, 2048:B	700	15-MAR-2048	Baa2/BBB-/BBB	89.09	08-Mar-2024	5.64	123
3.125, Senior, USD, 2050:B	500	24-APR-2050	Baa2/BBB-/BBB	66.06	08-Mar-2024	5.62	124
Senior Unsecured, USD, Y5:CDS					08-Mar-2024		41

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Keurig Dr. Pepper / KDP

	Amt		Ratings			Yield	Spread
Security		Maturity date	Moody's/S&P/Fitch	Price	Price date	(%)	(bps)
2.55, Senior, USD, 2026:B	400	15-SEP-2026	Baa1/BBB/NR	94.17	08-Mar-2024	5.05	66
3.43, Senior, USD, 2027:B	498	15-JUN-2027	Baa1/BBB/NR	95.63	08-Mar-2024	4.89	64
4.597, Senior, USD, 2028:B	2,000	25-MAY-2028	Baa1/BBB/NR	99.15	08-Mar-2024	4.82	67
4.597, Senior, USD, 2028:B	2,000	25-MAY-2028	Baa1/BBB/NR	99.15	08-Mar-2024	4.82	67
3.2, Senior, USD, 2030:B	750	01-MAY-2030	Baa1/BBB/NR	90.91	08-Mar-2024	4.93	87
5.085, Senior, USD, 2048:B	750	25-MAY-2048	Baa1/BBB/NR	94.76	08-Mar-2024	5.48	107
5.085, Senior, USD, 2048:B	750	25-MAY-2048	Baa1/BBB/NR	94.76	08-Mar-2024	5.48	107
3.8, Senior, USD, 2050:B	750	01-MAY-2050	Baa1/BBB/NR	76.84	08-Mar-2024	5.48	110
.75, Senior, USD, 2024:B	1,150	15-MAR-2024	Baa1/BBB/NR	99.80	28-Feb-2024	5.17	-19
3.35, Senior, USD, 2051:B	500	15-MAR-2051	Baa1/BBB/NR	70.67	08-Mar-2024	5.43	109
2.25, Senior, USD, 2031:B	500	15-MAR-2031	Baa1/BBB/NR	83.69	08-Mar-2024	5.04	98
3.95, Senior, USD, 2029:B	1,000	15-APR-2029	Baa1/BBB/NR	95.83	08-Mar-2024	4.88	79
4.05, Senior, USD, 2032:B	850	15-APR-2032	Baa1/BBB/NR	93.63	08-Mar-2024	5.02	96
4.5, Senior, USD, 2052:B	1,150	15-APR-2052	Baa1/BBB/NR	85.95	08-Mar-2024	5.49	118

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Kroger Co. / KR

	Amt		Ratings			Yield	Spread
Security		Maturity date	Moody's/S&P/Fitch	Price	Price date	(%)	(bps)
8, Senior, USD, 2029:B	250	15-SEP-2029	Baa1/BBB/WD	113.87	08-Mar-2024	5.09	100
2.65, Senior, USD, 2026:B	750	15-OCT-2026	Baa1/BBB/WD	94.33	08-Mar-2024	5.00	63
3.7, Senior, USD, 2027:B	600	01-AUG-2027	Baa1/BBB/WD	96.36	08-Mar-2024	4.88	64
5.15, Senior, USD, 2043:B	400	01-AUG-2043	Baa1/BBB/WD	94.51	08-Mar-2024	5.62	125
4.45, Senior, USD, 2047:B	1,000	01-FEB-2047	Baa1/BBB/WD	86.50	08-Mar-2024	5.49	108
4.65, Senior, USD, 2048:B	500	15-JAN-2048	Baa1/BBB/WD	88.47	08-Mar-2024	5.53	111
5.4, Senior, USD, 2049:B	600	15-JAN-2049	Baa1/BBB/NR	99.08	08-Mar-2024	5.47	107
3.95, Senior, USD, 2050:B	750	15-JAN-2050	Baa1/BBB/NR	79.87	08-Mar-2024	5.40	102
2.2, Senior, USD, 2030:B	500	01-MAY-2030	Baa1/BBB/NR	85.42	08-Mar-2024	4.98	92
7.5, Senior, USD, 2031:B	440	01-APR-2031	Baa1/BBB/WD	114.06	08-Mar-2024	5.10	105
Senior Unsecured, USD, Y5:CDS					08-Mar-2024		41

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Disclosures

Important Disclosures

Credit opinion history

Campbell Soup Company / CPB

Company	Date ^{R1}	Action	Recommendation	
Campbell Soup Company / CPB	28-Feb-2021		Overweight	
Security	Date ^{R1}	Action	Recommendation	Price
4.15, Senior, USD, 2028:B	28-Feb-2023		Overweight	
2.375, Senior, USD, 2030:B	28-Feb-2023		Overweight	
4.8, Senior, USD, 2048:B	28-Feb-2023		Overweight	
3.125, Senior, USD, 2050:B	28-Feb-2023		Overweight	
Senior Unsecured, USD, Y5:CDS	28-Feb-2023		Neutral	

Campbell Soup Company / CPB

Company	Date ^{R1}	Action	Recommendation
Table reflects credit opinion history as of previous business day's close. ^{R1} First date of recommendation within the last 36 months, if for an issuer or within the last 12 months, if for a security or loan. The investment opinion system is contained at the end of the report under the heading "BofA Global Research Credit Opinion Key."			
Pricing information in the table is provided for each action where available. In the case of bonds, loans, capital securities and equity preferreds, the price shown reflects the nominal cash price for the security; and in the case of CDS, the price shown reflects the spread, on the date of the relevant action.			
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); EP=Equity Preferred; CDS=Credit Default Swap			

Keurig Dr. Pepper / KDP

Company	Date ^{R2}	Action	Recommendation	
Keurig Dr. Pepper / KDP	28-Feb-2021		Overweight	
	07-Apr-2022	Restricted	NA	
	05-May-2022	Coverage Resumed	Overweight	
Security	Date ^{R2}	Action	Recommendation	Price
2.55, Senior, USD, 2026:B	28-Feb-2023		Overweight	
3.43, Senior, USD, 2027:B	28-Feb-2023		Overweight	
4.597, Senior, USD, 2028:B	28-Feb-2023		Overweight	
4.597, Senior, USD, 2028:B	28-Feb-2023		Overweight	
3.2, Senior, USD, 2030:B	28-Feb-2023		Overweight	
5.085, Senior, USD, 2048:B	28-Feb-2023		Overweight	
5.085, Senior, USD, 2048:B	28-Feb-2023		Overweight	
3.8, Senior, USD, 2050:B	28-Feb-2023		Overweight	
.75, Senior, USD, 2024:B	28-Feb-2023		Overweight	
3.35, Senior, USD, 2051:B	28-Feb-2023		Overweight	
2.25, Senior, USD, 2031:B	28-Feb-2023		Overweight	
3.95, Senior, USD, 2029:B	28-Feb-2023		Overweight	
4.05, Senior, USD, 2032:B	28-Feb-2023		Overweight	
4.5, Senior, USD, 2052:B	28-Feb-2023		Overweight	

Table reflects credit opinion history as of previous business day's close.^{R2} First date of recommendation within the last 36 months, if for an issuer or within the last 12 months, if for a security or loan. The investment opinion system is contained at the end of the report under the heading "BofA Global Research Credit Opinion Key."

Pricing information in the table is provided for each action where available. In the case of bonds, loans, capital securities and equity preferreds, the price shown reflects the nominal cash price for the security; and in the case of CDS, the price shown reflects the spread, on the date of the relevant action.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); EP=Equity Preferred; CDS=Credit Default Swap

Kroger Co. / KR

Company	Date ^{R3}	Action	Recommendation	
Kroger Co. / KR	28-Feb-2021		Marketweight	
	18-Oct-2022	Upgrade	Overweight	
	12-Sep-2023	Downgrade	Marketweight	
Security	Date ^{R3}	Action	Recommendation	Price
8, Senior, USD, 2029:B	28-Feb-2023		Overweight	
	12-Sep-2023	Downgrade	Marketweight	112.80
2.65, Senior, USD, 2026:B	28-Feb-2023		Overweight	
	12-Sep-2023	Downgrade	Marketweight	92.05
3.7, Senior, USD, 2027:B	28-Feb-2023		Overweight	
	12-Sep-2023	Downgrade	Marketweight	94.26
5.15, Senior, USD, 2043:B	28-Feb-2023		Overweight	
	12-Sep-2023	Downgrade	Marketweight	88.20
4.45, Senior, USD, 2047:B	28-Feb-2023		Marketweight	
4.65, Senior, USD, 2048:B	28-Feb-2023		Marketweight	
5.4, Senior, USD, 2049:B	28-Feb-2023		Marketweight	
3.95, Senior, USD, 2050:B	28-Feb-2023		Marketweight	
2.2, Senior, USD, 2030:B	28-Feb-2023		Overweight	
	12-Sep-2023	Downgrade	Marketweight	81.22
7.5, Senior, USD, 2031:B	28-Feb-2023		Overweight	
	12-Sep-2023	Downgrade	Marketweight	110.96
Senior Unsecured, USD, Y5:CDS	28-Feb-2023		Sell Protection	

Table reflects credit opinion history as of previous business day's close.^{R3} First date of recommendation within the last 36 months, if for an issuer or within the last 12 months, if for a security or loan. The investment opinion system is contained at the end of the report under the heading "BofA Global Research Credit Opinion Key."

Pricing information in the table is provided for each action where available. In the case of bonds, loans, capital securities and equity preferreds, the price shown reflects the nominal cash price for the security; and in the case of CDS, the price shown reflects the spread, on the date of the relevant action.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); EP=Equity Preferred; CDS=Credit Default Swap

BofA Global Research Credit Opinion Key

BofA Global Research provides recommendations on an issuer's bonds (including corporate and sovereign external debt securities), loans, capital securities, equity preferreds and CDS as



described below. Convertible securities are not rated. An issuer level recommendation may also be provided for an issuer as explained below. BofA Global Research credit recommendations are assigned using a three-month time horizon.

Issuer Recommendations: If an issuer credit recommendation is provided, it is applicable to bonds and capital securities of the issuer except bonds and capital securities specifically referenced in the report with a different credit recommendation. Where there is no issuer credit recommendation, only individual bonds and capital securities with specific recommendations are covered. Loans, CDS and equity preferreds are rated separately and issuer recommendations do not apply to them.

BofA Global Research credit recommendations are assigned using a three-month time horizon:

Overweight: Spreads and/or excess returns are likely to outperform the relevant and comparable market over the next three months.

Marketweight: Spreads and/or excess returns are likely to perform in-line with the relevant and comparable market over the next three months.

Underweight: Spreads and/or excess returns are likely to underperform the relevant and comparable market over the next three months.

BofA Global Research uses the following rating system with respect to **Credit Default Swaps (CDS):**

Buy Protection: Buy CDS, therefore going short credit risk.

Neutral: No purchase or sale of CDS is recommended.

Sell Protection: Sell CDS, therefore going long credit risk.

Corporate Credit Issuer Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R4}	Count	Percent
Buy	144	37.21%	Buy	119	82.64%
Hold	193	49.87%	Hold	163	84.46%
Sell	50	12.92%	Sell	37	74.00%

^{R4} 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 corporate credit issuer recommendations. A corporate credit issuer rated Overweight is included as a Buy, a corporate credit issuer rated Marketweight is included as a Hold, and a corporate credit issuer rated Underweight is included as a Sell.

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

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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: Campbell Soup, Keurig Dr. Pepper, The Kroger Co.

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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: Campbell Soup, Keurig Dr. Pepper, The Kroger Co.

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: Keurig Dr. Pepper.

BofAS or one of its affiliates has a significant financial interest in the fixed income instruments of the issuer. If this report was issued on or after the 15th day of the month, it reflects a significant financial interest on the last day of the previous month. Reports issued before the 15th day of the month reflect a significant financial interest at the end of the second month preceding the report: Keurig Dr. Pepper.

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