

Internet/e-Commerce

SMID cap eCommerce monthly; ticketing and online jewelry stand out in December

Industry Overview

eCommerce trends soften in December

In this note, we provide an update on the latest spending and web traffic trends for home furnishings (Online and premium), pets, key categories for Etsy, and ticketing. For December, BAC aggregated credit and debit card data indicates the best performing categories were Online jewelry (+9.9% YoY) and ticketing (+8.1% YoY). Online furniture decelerated from a strong Nov. (-12% in Dec. vs. -7% YoY in Nov) but the category continues to show steady improvement and outperform offline furnishings. Spend on pets decelerated 1ppt vs. November to -5.5% YoY, finishing the year that started with consistent LSD growth. Overall eCommerce decelerated 2.6ppts to 30bps y/y.

Furnishings decel, likely from Nov promos borrowing sales

For December, Online furniture spending decreased 12.0% YoY, a 480bps deceleration from Nov, though trends improved 2.6ppts (to -9.7% YoY) on a quarterly basis, according to BAC aggregated card data. Trends likely decelerated m/m given high promo activity in Nov, which likely pulled forward December sales. Constructively, Online furniture continued to outperform total furnishings spend, which was down 13.2% YoY in Dec. Wayfair US web traffic increased 7.9% YoY in Dec. (vs. 8.8% in Nov) and was well above the industry at -7.7%. We accordingly forecast above-industry growth for Wayfair US revenue at 3.5% YoY in 4Q (vs. Street at 3.2%). Wayfair is a top pick for 2024 (along with Vivid Seats) on improving furniture trends (see [2024 SMID Cap Year Ahead](#)).

A rough '23 for pet category with decel'ing trends in Dec

Pet spend decreased 5.5% YoY in December vs. -4.5% in Nov, given weak pet adoption trends (Petfinder.com traffic down 11.6% YoY) and continued trade down in the sector. Chewy web traffic declined 13.7% YoY in December (vs. -6.5% in Nov). We forecast Chewy 4Q23 revenue of -2.6% (40ps below Street), a 5.5ppt deceleration from 3Q.

Online spend for top Etsy categories dragged by furniture

Avg Online spend for Etsy's top product categories in Dec (Online furnishings, apparel, and jewelry) declined 6.1% YoY vs -2.8% YoY in November, according to BAC aggregated credit and debit card data, with Online furniture down most. Online jewelry increased 9.9% YoY while clothing declined 5.4%. Etsy Global traffic declined -5.3% YoY in Dec, inline with -4.9% in Nov. Temu web traffic accelerated to 23.6% MoM (to 468m) in Dec. (vs. 8.4% MoM in Nov) vs. 7.3% MoM for Etsy. For 4Q, we forecast Etsy 4Q23 GMS to decline 1.5% YoY (20bps above Street), a deceleration of 1ppt from 3Q (ex-FX).

Ticketing spend outpaces most Online categories

Spend on ticketing agencies increased 8.1% YoY in Dec (3.8ppt accel vs. Nov), and well above trends in total entertainment and travel categories. Web traffic for secondary ticketing sites accelerated 20ppts to 8.6% YoY, though on an 18ppt easier comp in an otherwise seasonally slow December. Vivid Seats is also a top pick, given expectations for resilient industry demand into 2024 and attractive valuation relative to growth.

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12644869

Timestamp: 11 January 2024 11:16AM EST

11 January 2024

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DTC: Direct to Consumer

GMS: Gross Merchandise Sales

GOV: Gross Order Value

LSD: Low-Single Digit

See the latest [BofA on USA](#) note for an explanation of the methodology, disclaimers and limitations of BAC card data

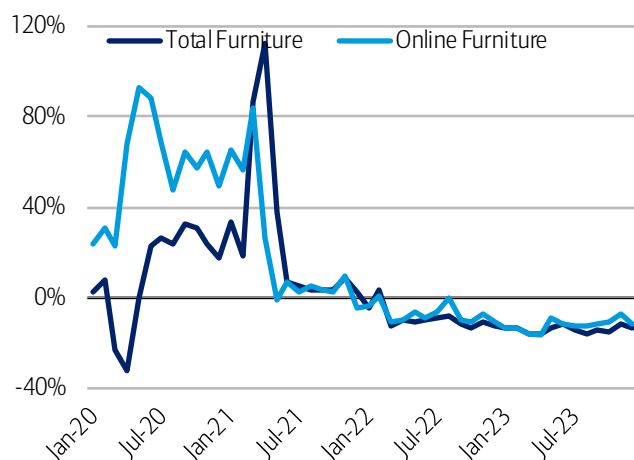
Home furnishings spend and web trends

Online furnishings spending and web traffic trends

For December, Online furniture spending declined 12.0% YoY, a 4.8ppt deceleration, and vs. -9.7% YoY for 4Q, according to BAC aggregated credit and debit card data. Online furniture outperformed total furnishings spend, which declined 13.2% YoY in December and we think this likely continues in 2024 based on our view that the overall eCommerce penetration rate will expand. For Wayfair, we forecast Wayfair 4Q23 US revenue of +3.5 YoY (vs. Street at 3.2%), and we are positive on sustained above-industry growth. For Beyond we forecast 4Q23 revenue of -13.3%, 200bps above the Street.

Exhibit 1: Monthly furniture spending growth, YoY % change according to BAC aggregated credit and debit card data

Online furniture spend has been trending above total furniture

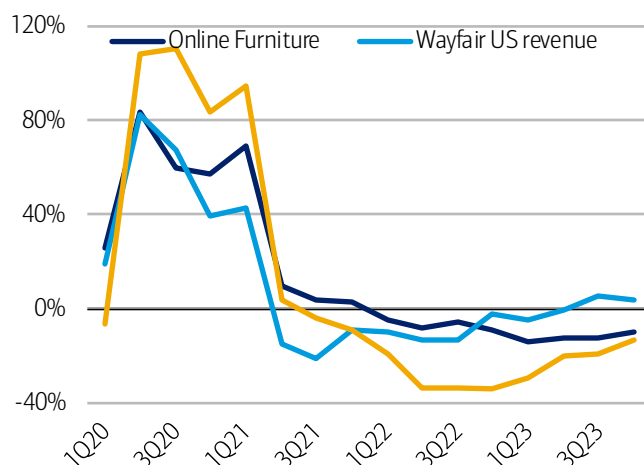


Source: BAC Internal data

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Exhibit 2: Wayfair and Beyond revenues vs. quarterly BAC card data at online furniture retailers (YoY%)*

Industry trends remain negative but have accelerated in recent months



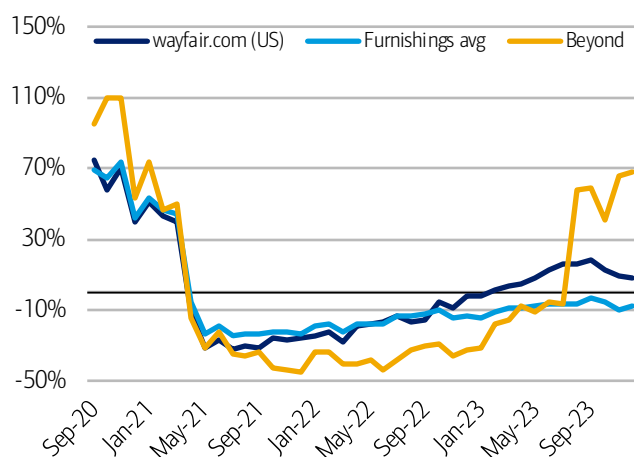
Source: BAC internal data

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Wayfair US web traffic grew 7.9% YoY in December (vs. 8.9% in November) and is trending well above the industry (-7.7% YoY). For Beyond, web traffic accelerated slightly to 68.2% YoY in December from 66.1% as the company laps easy comps and continues to deploy promotional and marketing dollars to drive site visits and revenue.

Exhibit 3: Monthly online home furnishings web traffic (YoY % growth)

Wayfair remains well above industry trends

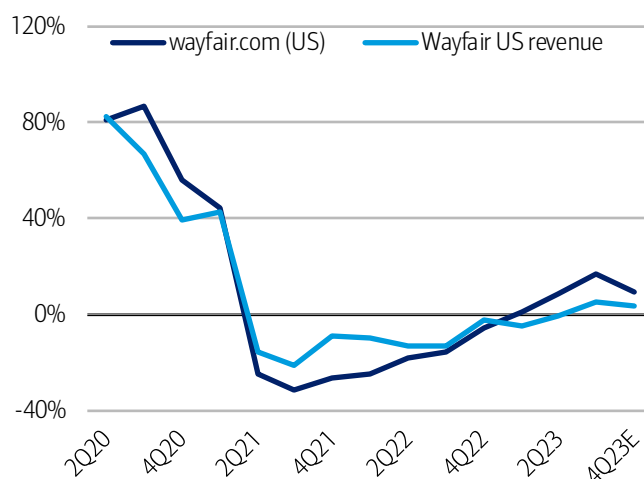


Source: SimilarWeb

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Exhibit 4: Wayfair US revenues vs. web traffic (YoY%)

Wayfair Web traffic is highly correlated with revenues

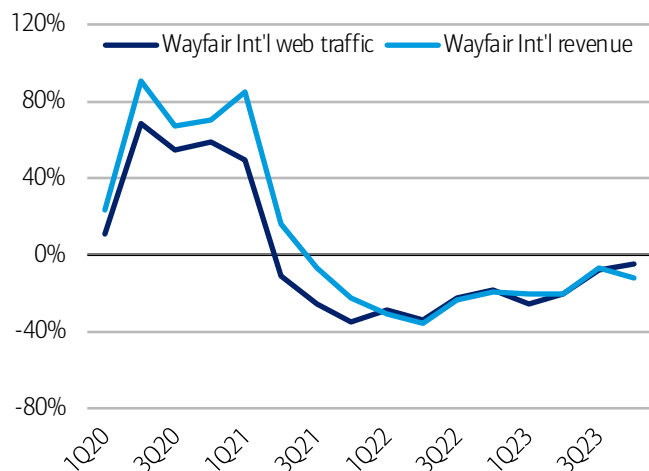


Source: SimilarWeb

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Exhibit 5: Wayfair Int'l revenues vs. web traffic (YoY%)

International web traffic is slowly improving

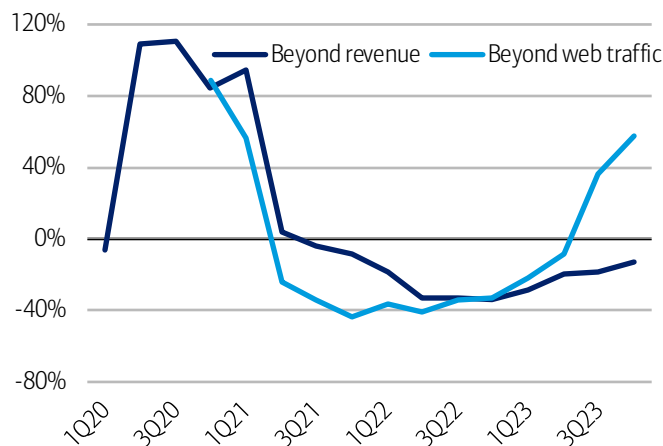


Source: SimilarWeb, Company Filings, BofA Global Research

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Exhibit 6: Beyond revenues vs. web traffic (YoY%)

The relaunch of the Bed Bath site and rebranding drove a spike in traffic



Source: SimilarWeb, Company Filings, BofA Global Research | *including Bed Bath as of Aug '23

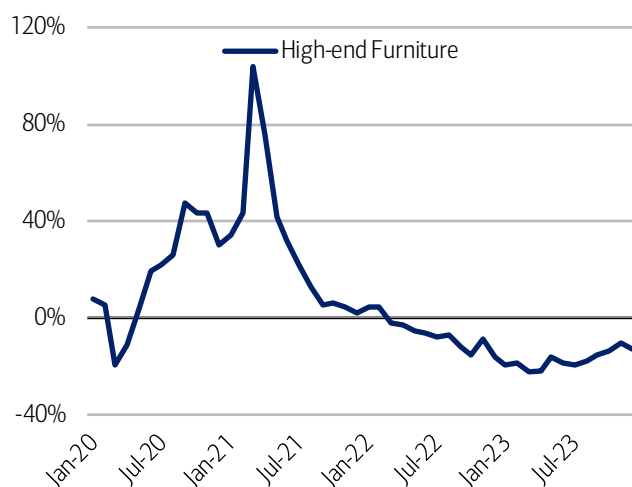
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Premium furnishings spending and web traffic trends

For December, premium furniture spending decelerated 260bps to -13.0% YoY, though relatively strong November spend accelerated 4Q trends by 5.4ppts to -12.2% YoY, according to BAC aggregated credit and debit card data. We forecast **RH F4Q'23** revenue of 1.8% YoY, a 15ppt accel from 3Q on new product launches, and gallery openings and 110bps above Street.

Exhibit 7: Monthly premium furniture spending growth, YoY % change according to BAC aggregated credit and debit card data

Premium furnishings is directionally improving after nearly two years of soft trends

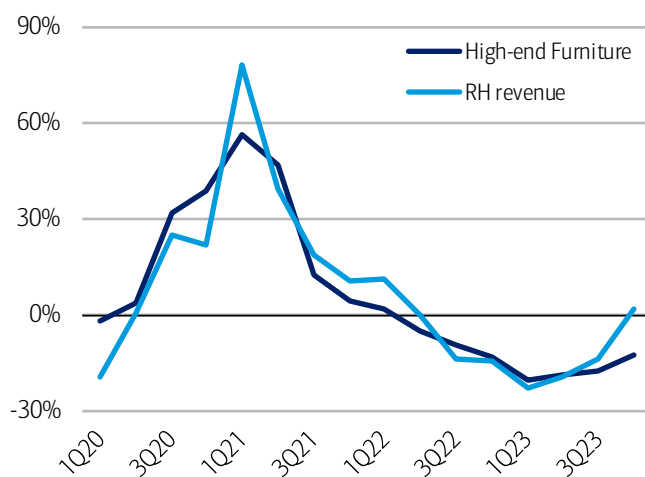


Source: BAC internal data

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Exhibit 8: RH revenues vs. quarterly BAC card data at high-end furniture retailers (YoY%)

We project significant YoY RH revenue growth in 1H'24 on major product launches



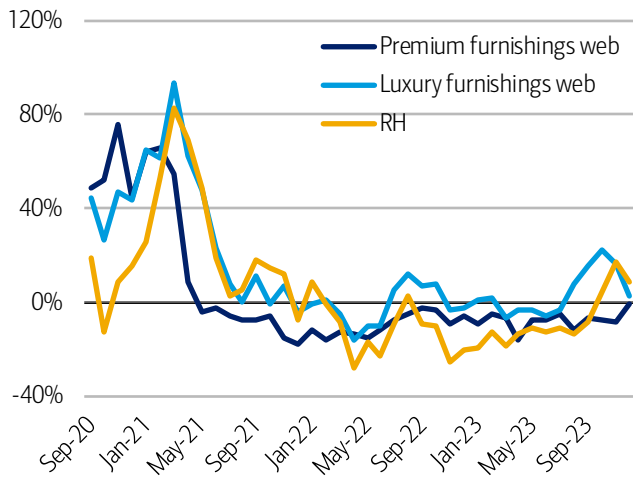
Source: BAC internal data, BofA Global Research

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RH web traffic increased 8.5% YoY in December, an 8.7ppt deceleration from November at +17.1% YoY, though remained 550bps ahead of luxury furnishings peers at 3.0% YoY. On a quarterly basis, RH web traffic improved 21pts to 10% YoY.

Exhibit 9: Monthly premium home furnishings monthly traffic (YoY % growth)

RH web traffic decelerated in December, though remains above peers

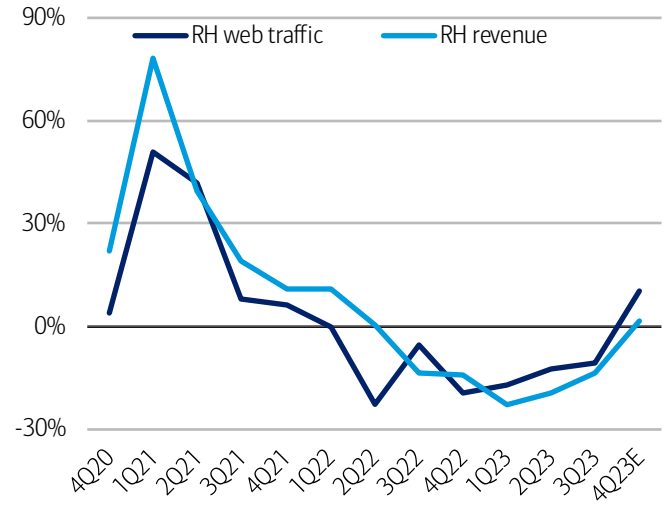


Source: SimilarWeb

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Exhibit 10: RH revenues vs. quarterly web traffic (YoY%)

Web traffic is highly correlated with total revenue



Source: SimilarWeb, Company Filings, BofA Global Research

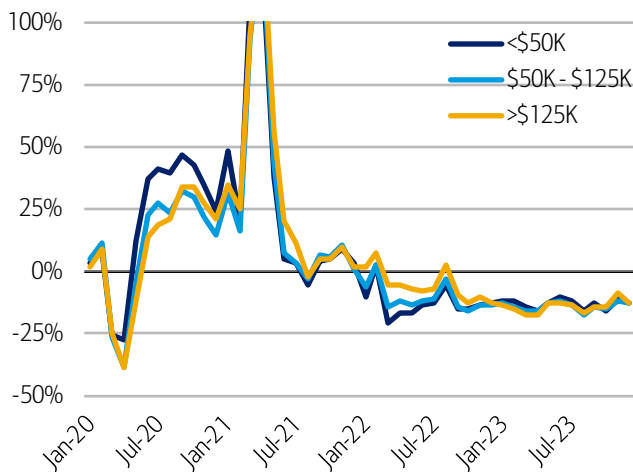
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Monthly trends by low, middle, and high incomes

In December, total furniture spending for higher-income cohorts decreased 11.5% YoY, middle-income decreased 12.9%, and lower income decreased 13.1%. For Online Furniture, higher-income cohorts decreased spend by 8.2% YoY, middle-income decreased 10.5%, and lower income decreased 10.9%

Exhibit 11: YoY growth in Total Furniture by income level

High-income (H) spend was slightly above low- (L) and middle-income (H) brackets

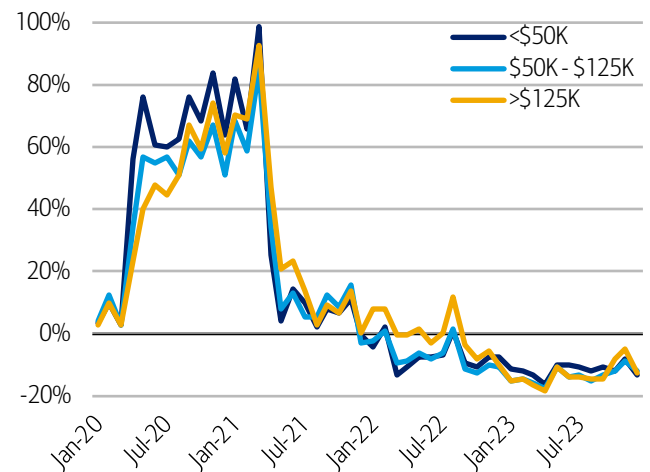


Source: BAC internal data

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Exhibit 12: YoY growth in Online Furniture by income level

High-income (H) spend was slightly above low- (L) and middle-income (H) brackets



Source: BAC internal data

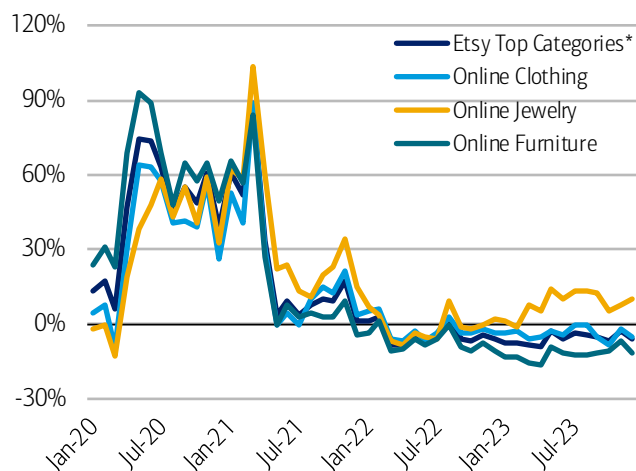
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ETSY category spend and web trends

For the month of December, average online spend for Etsy's top product categories (Online furnishings, apparel, and jewelry) declined 6.1% YoY in December (vs -2.8% YoY in Nov), according to BAC aggregated credit and debit card data. Online furniture and clothing declined 12.0/5.4% YoY while Online jewelry increased 9.9% YoY (200bps accel). We forecast Etsy 4Q23 GMS to contract 1.5% YoY (20bps above Street). This reflects updated guidance (announced alongside a round of layoffs), that 4Q GMS would be down -1-2% YoY, vs. down low-single digits previously.

Exhibit 13: Monthly online spending growth for top Etsy categories YoY% change according to BAC aggregated credit and debit card data

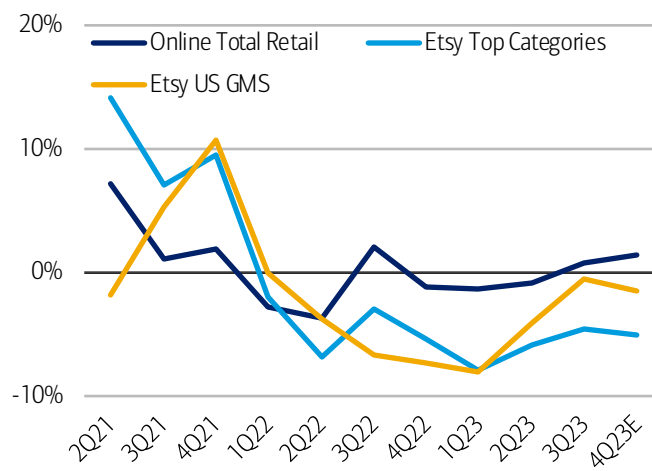
Trends for top categories declined 6.1% YoY in December



Source: BAC internal data | *avg. of online furnishings, clothing and jewelry BAC data
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Exhibit 14: Quarterly online spending growth for top Etsy categories YoY% change according to BAC aggregated credit and debit card data

Trends for top categories declined 5.0% YoY



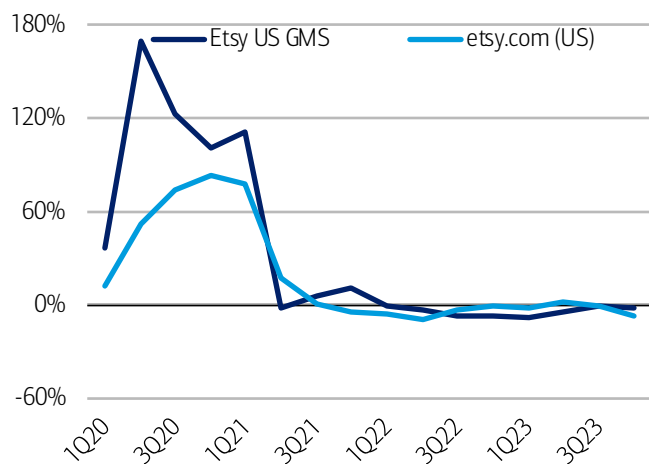
Source: BAC internal data | *avg. of online furnishings, clothing and jewelry BAC data
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Etsy web traffic

Etsy US web traffic in December declined 6.3% YoY, an improvement vs. Nov. at -7.7% YoY. Int'l web traffic declined -4.0% for the month, translating to a 280bps decel.

Exhibit 15: ETSY US web traffic vs. GMS (YoY % change)

Etsy US web traffic contracted 7% in 4Q23

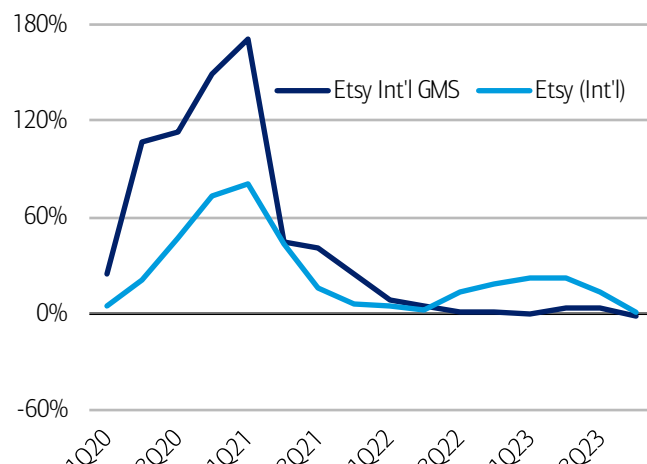


Source: SimilarWeb, company reports, BofA Global Research | *not including non-Etsy marketplaces, through December

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Exhibit 16: ETSY Intl web traffic vs. GMS (YoY % change)

International Web traffic decel'd 13ppts to +1% YoY in 4Q23

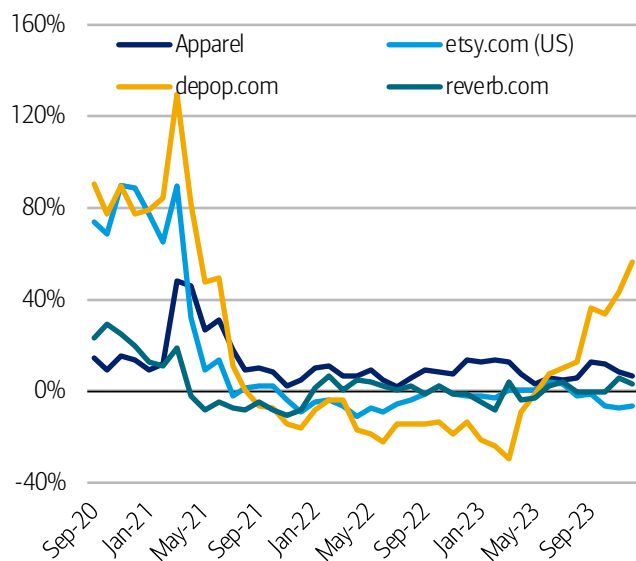


Source: SimilarWeb, company reports, BofA Global Research | *web traffic through December
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Global web traffic to Temu reached 468mn in December (+23.6% MoM) compared to global Etsy traffic of 536mn (+7.3% MoM). In 3Q'23, Etsy called out competitive pressures from Chinese eCommerce platforms and we think competitive dynamics will likely remain an overhang on stock sentiment.

Exhibit 17: Etsy marketplaces web traffic (YoY% change)

Etsy US web traffic declined 6.3% YoY in December

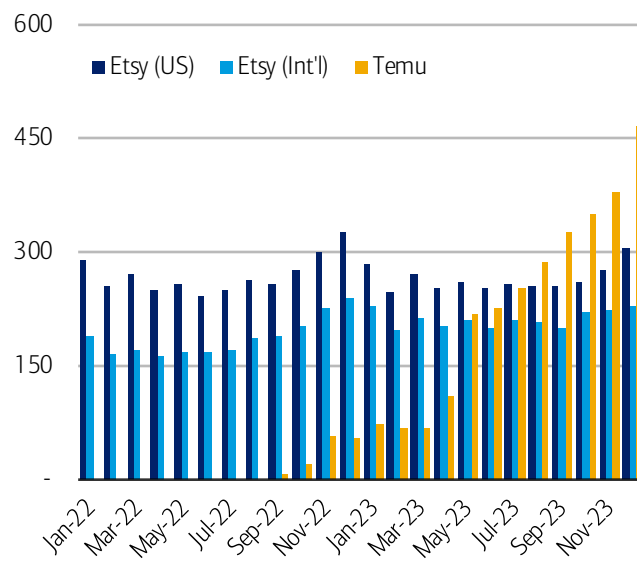


Source: SimilarWeb

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Exhibit 18: Etsy vs. Temu web traffic (mn)

Temu web traffic grew to 468mn visits in December



Source: SimilarWeb

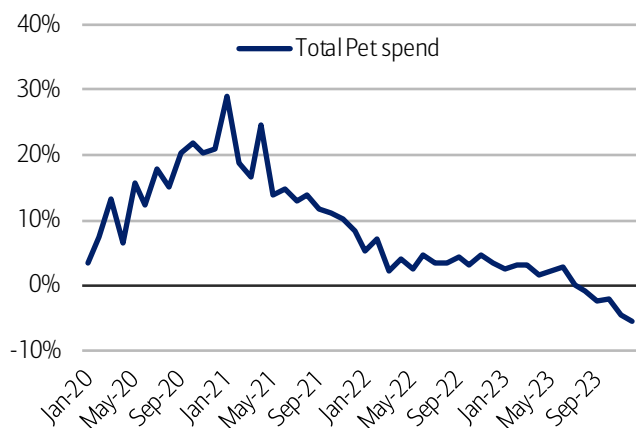
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Pet category spend and web trends

For December, pet spending fell to -5.5% YoY (from -4.5% YoY in November) ended the quarter down 4.1% YoY, according to BAC aggregated credit and debit card data. Our 4Q projection for 2.6% revenue growth indicates narrowing share gains (spread tightened to +6.7pts from +9.1pts in 3Q), suggesting competitive pressures in what we believe was a promotional and competitive quarter within Pets.

Exhibit 19: Monthly pet spend, YoY% change according to BAC aggregated credit and debit card data

YoY pet retail spend in the US declined 5.5% YoY in December

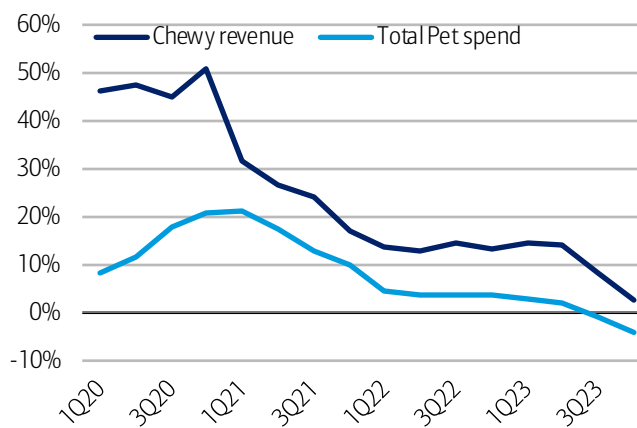


Source: BAC Internal data

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Exhibit 20: Chewy revenue vs. quarterly BAC card data at pet retailers (YoY%)

We project revenue to grow 3% YoY in 4Q23E



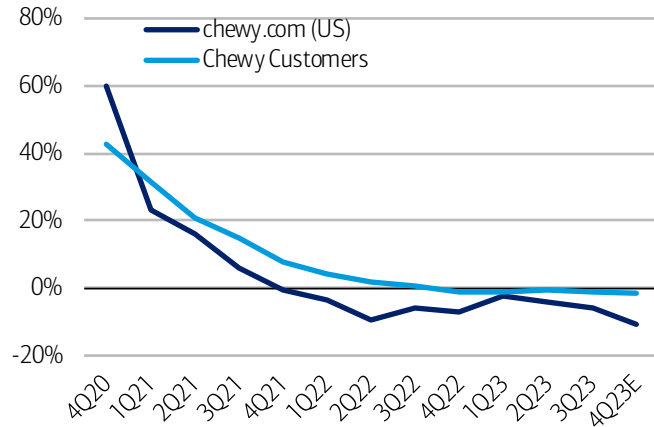
Source: BAC internal data, company reports, BofA Global Research

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Chewy web traffic decreased 13.7% YoY in December, a deceleration from -6.5% in November. Pet adoption also remains depressed, according to Similarweb traffic on Petfinder, which declined 14.8% YoY fiscal 4QTD (through January 7, 2024) translating to 2.7mn visits. Street projects active customers to contract 1.1% y/y to 20.2mn, representing a 90k decrease in net adds sequentially.

Exhibit 21: Chewy web traffic vs. active customers (YoY%)

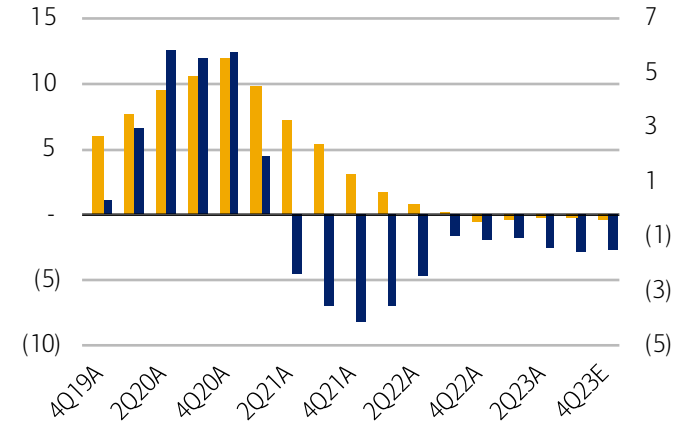
Web traffic continues to decline in 4Q23



Source: SimilarWeb, company reports, BofA Global Research | 4Q23 through Jan 7, 2024
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Exhibit 22: Chewy customer count vs. Petfinder web traffic (YoY)

Weak adoption trends could be impacting Chewy customer growth



Source: SimilarWeb, company reports, BofA Global Research

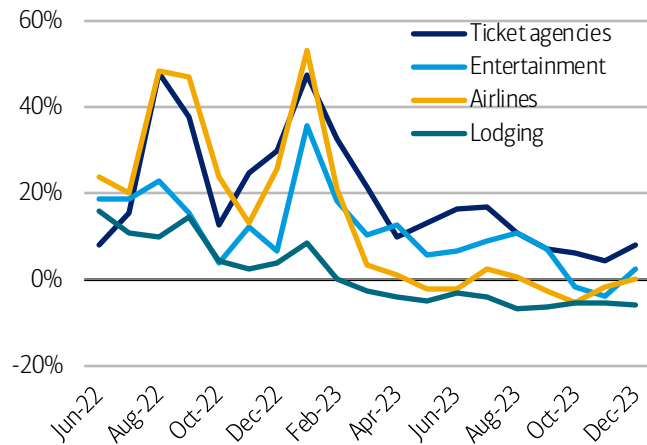
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Ticketing category spend and web trends

Spend on ticketing agencies grew 8.1% YoY in Dec, (3.8ppt accel), and outperformed entertainment (+2.4%) and leisure categories like airlines (+40bps) and lodging (-5.6%). For 4Q23, we project marketplace GOV on Vivid Seats to increase 24% YoY aided by solid organic growth and the acquisitions of Wavedash and Vegas.com. We were encouraged during the 3Q call that Vivid provided 2024 rev. guide of \$810-840mn (+19% YoY at midpoint and including HSD organic growth) and EBITDA of \$170-180mn (26% YoY at midpoint), which in our view signals management's high degree of confidence about next year. Vivid is a top pick for 2024.

Exhibit 23: Monthly entertainment vs. travel spending growth, YoY % change according to BAC aggregated credit and debit card data

Ticketing outperformed entertainment and travel categories in December

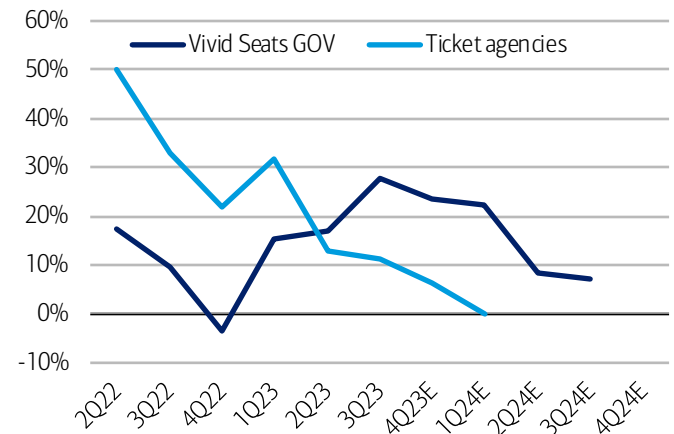


Source: BAC internal data

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Exhibit 24: Quarterly ticket agency spending according to BAC aggregated credit and debit card data vs. Vivid GOV* (YoY %)

We forecast 24% YoY growth for Vivid GOV in 4Q



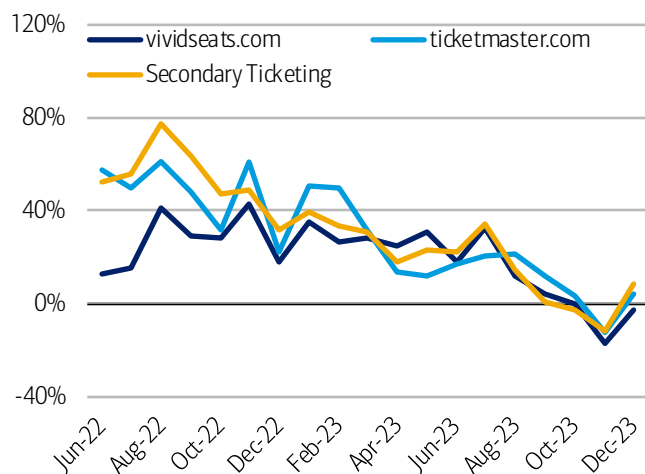
Source: BAC internal data, company reports, BofA Global Research

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Similarweb data indicates that Vivid Seats web traffic improved 14ppts m/m (on a 25ppt easier comp), though still declined 2.9% YoY. Web traffic for secondary ticketing sites accelerated 20ppts to 8.6% YoY, on an 18ppt easier comp, in an otherwise seasonally slow December.

Exhibit 25: Ticketing web traffic (YoY %)

Secondary traffic has outpaced primary this year

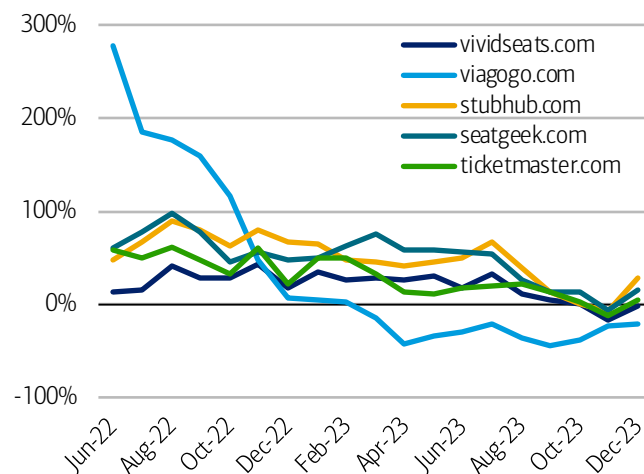


Source: SimilarWeb

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Exhibit 26: Ticketing web traffic (YoY %)

Web traffic decelerated in the fall



Source: SimilarWeb

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Exhibit 27: Stocks mentioned

Prices and ratings for stocks mentioned in this report

BofA Ticker	Bloomberg ticker	Company name	Price	Rating
CHWY	CHWY US	Chewy	US\$ 19.94	C-3-9
BYON	BYON US	Beyond Inc	US\$ 25.3	C-2-9
ETSY	ETSY US	Etsy, Inc.	US\$ 74.72	C-2-9
SEAT	SEAT US	Vivid Seats	US\$ 6.23	C-1-9
RH	RH US	RH	US\$ 273.12	C-1-9
W	W US	Wayfair	US\$ 56.43	C-1-9

Source: BofA Global Research

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Disclaimer

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

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 October also be classified by other proprietary methods not using MCCs.

BAC data used in this report include spending from active US households (HHs) only. Spending from corporate cards are excluded.

Our methodology for calculating the growth rates for daily data: we calculate the %y/y growth rate and the 4-year % change by matching calendar days (Jan 1 2023 is matched to Jan 1 2022, and Jan 1, 2019, respectively). The % change is calculated based on the 7-day moving average of spending levels.

Unless otherwise noted, the monthly subsector data are adjusted to control for seasonality and other factors.

Price objective basis & risk**Beyond Inc (BYON)**

Our \$27 PO is based on 14x 2025E EV/EBITDA, which compares to a e-commerce median of approx. 15x. We believe that a lower multiple is justified given growth and margins that are below the e-commerce group average.

Downside risks to our PO are that secular tailwinds may fade with slower growth in home furnishings sales, lower than expected gains from the Bed Bath & Beyond acquisition, a greater focus on value and promotions vs. Wayfair, which limit the pace of margin expansion near term, significantly smaller logistical and distribution scale, customer base, and supplier network versus Wayfair, which are competitive



disadvantages.

Upside risks to our PO are greater-than-expected home furnishings industry growth in the US, larger than expected gains from Bed Bath & Beyond, a continued shift of offline sales to online retailers, and upside from company-specific initiatives to improve customer count, order frequency, and average order value.

Chewy Inc (CHWY)

Our PO of \$17 is based on 0.5x 2025E EV/Sales, discount to our eCommerce and Pet Specialty comp group at 1.1x. We believe a discount is warranted given lower forecast revenue growth to peers and significantly lower margins.

Upside risks: 1) room for long-term margin expansion driven by adjacent services, advertising, shifting product mix, and building out automated fulfillment centers 2) Chewy's Autoship driving durable and higher-growth sales and 3) expansion of adjacent service such as private brands, pharmacy, and insurance increasing NSPAC headroom, with mgmt. noting NSPAC lift of \$200-\$300/yr by adding pharmaceuticals.

Downside risks: 1) pet spend growth has dramatically slowed on a weak macro and low pet adoption rates which we expect to pressure Chewy growth through 2024, 2) Chewy's expansion into Canada is a distraction from margin improvement and is may not be a material revenue given a much smaller pet market and 3) moderating inflation and promotions decelerating pricing gains of the past 18 months.

Etsy, Inc. (ETSY)

Our \$90 price objective is based on 14x 2025E EV/EBITDA. This is a discount to Etsy's 5-year average of 25x (ranging from 11x to 50x). We believe a discount is warranted given lower gross merchandise sales and total revenue growth relative to Etsy's historic average and less potential upside for EBITDA margins. We believe that Etsy should trade at a slight discount to overall eCommerce and marketplaces due to lower revenue growth, offset partially by higher margins and competitive barriers.

Upside risks to our PO are higher-than-expected order frequency and average order value due to improvements in search functionality, greater than expected shares gains across underpenetrated customer demographics, regions, and products and increase take rates from new services and higher fees.

Downside risks to our PO are that weakness in discretionary spending or a recession would likely have an outsized impact on the discretionary products sold on Etsy's marketplaces, continued pressure on GMS growth from lapping tough-COVID related comparisons over the next several quarters and softer-than-anticipated performance from non-Etsy marketplaces.

RH (RH)

Our price objective on RH is \$360, which is based on 15x 2025E P/E. Our valuation is below the average multiple of 17x on lower margins relative to the past five years but several large and long-term revenue opportunities that could deliver upside.

The upside risks to our price objective are continued upside potential from RH's gallery conversion strategy, international growth, operating leverage on sales growth, and supply-chain cost reductions and greater-than-expected share repurchases.

Downside risks to our price objective are weakness in discretionary spending or a recession, which would likely have an outsized impact on RH's luxury brand as well as a slower than expected recovery in luxury home sales.

Vivid Seats (SEAT)

Our \$10.50 price objective is based on 10x our 2025E EV/EBITDA. This is below Vivid's historical average and a discount to a median of 13x for comparable entertainment and marketplace companies. We believe a discount to comps is warranted given lower revenue growth, lower EBITDA margins and a smaller total addressable market. Our 12x EV/EBITDA multiple also represents a discount relative to expected growth (we forecast 21% compounded EBITDA growth from 2023-26), which we also believe is warranted given high industry competition, the inclusion of acquisitions in 2024 and uncertainty over normalized growth through 2024 post a release of pent-up COVID demand.

Upside risks to our PO are: higher than expected ticketing industry growth, a reduction in elevated competition, higher-than-expected adoption of Vivid's loyalty program and Skybox Drive system and increased regulation, particularly ticket price transparency.

Downside risks to our PO are: a pullback in ticketing and general entertainment spend post two years of COVID catch-up demand, increased marketing spend or lower pricing from competitors, a reduction in concert events, an increase in exclusive ticket distribution deals from competitors and lower-than-expected adoption of Vivid's loyalty program and high private equity and SPAC sponsor ownership.

Wayfair (W)

Our PO of \$79 is based on 0.8x 2025E EV/sales, which is below with the historical average multiple of approx. 1x. We believe this is warranted given a significant improvement in EBITDA and a return to revenue YoY growth, though below prior periods of expansion. If Wayfair were to achieve its target of mid-single digit EBITDA margins over the next few years, this would likely drive additional multiple expansion in our view.

Upside risks are 1) a larger-than-expected acceleration in sales post tough COVID compares in 2022, 2) better inventory availability as supply chain disruptions eases, 3) higher-than-forecast online growth for the industry as a whole, 4) stronger growth from newer initiatives including Wayfair Professional and, 5) EBITDA margin upside from COGS efficiencies, OPEX reductions and fixed cost leverage.

Downside risks are 1) High industry competition which could drive higher than expected investment in marketing or promotions, 2) brand complexity (five brands), 3) weaker than expected international segment performance, and 4) A softer than anticipated recovery in US furnishings in 2024/25.

Analyst Certification

I, Curtis Nagle, 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.

US - Internet Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Alphabet	GOOGL	GOOGL US	Justin Post
	Alphabet	GOOG	GOOG US	Justin Post
	Amazon.com	AMZN	AMZN US	Justin Post
	AppLovin	APP	APP US	Omar Dessouky, CFA
	DoorDash	DASH	DASH US	Michael McGovern
	DoubleVerify Holdings, Inc.	DV	DV US	Omar Dessouky, CFA
	Electronic Arts	EA	EA US	Omar Dessouky, CFA
	Expedia	EXPE	EXPE US	Justin Post
	Integral Ad Science Holding Corp.	IAS	IAS US	Omar Dessouky, CFA
	LegalZoom	LZ	LZ US	Michael McGovern
	Match Group	MTCH	MTCH US	Curtis Nagle, CFA
	Meta Platforms Inc	META	META US	Justin Post
	Pinterest	PINS	PINS US	Justin Post
	RH	RH	RH US	Curtis Nagle, CFA
	Roblox Corp. Class A	RBLX	RBLX US	Omar Dessouky, CFA
	Squarespace, Inc.	SQSP	SQSP US	Michael McGovern
	Uber	UBER	UBER US	Justin Post
	Udemy Inc	UDMY	UDMY US	Curtis Nagle, CFA
	Vivid Seats	SEAT	SEAT US	Curtis Nagle, CFA
	Wayfair	W	W US	Curtis Nagle, CFA
	Wix.com	WIX	WIX US	Michael McGovern
NEUTRAL				
	ACV Auctions	ACVA	ACVA US	Curtis Nagle, CFA
	Airbnb	ABNB	ABNB US	Justin Post
	Beyond Inc	BYON	BYON US	Curtis Nagle, CFA
	Booking Holdings Inc	BKNG	BKNG US	Justin Post
	Bumble	BMBL	BMBL US	Curtis Nagle, CFA
	Digital Turbine, Inc	APPS	APPS US	Omar Dessouky, CFA
	Duolingo	DUOL	DUOL US	Curtis Nagle, CFA
	eBay	EBAY	EBAY US	Justin Post
	Etsy, Inc.	ETSY	ETSY US	Curtis Nagle, CFA
	Instacart	CART	CART US	Justin Post
	Magnite, Inc.	MGNI	MGNI US	Omar Dessouky, CFA
	Playtika	PLTK	PLTK US	Omar Dessouky, CFA
	Snap	SNAP	SNAP US	Justin Post
	Take-Two Interactive	TTWO	TTWO US	Omar Dessouky, CFA
	Zillow	ZG	ZG US	Curtis Nagle, CFA
	Zillow	Z	Z US	Curtis Nagle, CFA
UNDERPERFORM				
	Chewy Inc	CHWY	CHWY US	Curtis Nagle, CFA
	Lyft, Inc.	LYFT	LYFT US	Michael McGovern
	Opendoor Technologies	OPEN	OPEN US	Curtis Nagle, CFA
	Peloton	PTON	PTON US	Curtis Nagle, CFA
	Redfin Corp	RDFN	RDFN US	Curtis Nagle, CFA
	Shutterstock	SSTK	SSTK US	Curtis Nagle, CFA

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Important Disclosures

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

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

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

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	215	53.09%	Buy	111	51.63%
Hold	97	23.95%	Hold	45	46.39%
Sell	93	22.96%	Sell	24	25.81%

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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