

## Woodside Energy Group

## Solid FY23 result. Inorganic growth on hold, for now...

Reiterate Rating: BUY | PO: 33.00 AUD | Price: 30.28 AUD

## FY23 EBITDA in line, DPS a slight beat versus consensus

Woodside (WDS) has reported FY23 results with underlying EBITDA of \$9.3bn, in-line with consensus of \$9.2bn (-3% vs BofAe \$9.6bn). WDS declared a final dividend of 60 UScps resulting in FY23 dividends of 140 UScps (80% payout), 9% above consensus of 128 UScps (78% payout) yet in line with BofAe (143 UScps, 80% payout). Guidance for 2024 production and capex remains unchanged. Unit production costs of \$8.3/boe rose 2% vs 2022 despite cost inflation and planned turnarounds. WDS' balance sheet remains strong with net gearing of 12%, at the lower end of its 10-20% target range. We lower our 2024-26e EBITDA by 2% reflecting a slower ramp up at Sangomar and faster decline at the NWS. Our PO is reduced to \$33/share reflecting higher than forecast net debt and slightly reduced earnings estimates yet we reiterate our Buy with 15% potential return.

## Pipeline of organic growth, assessing inorganic options

We forecast WDS to achieve 3% CAGR in production from 2023-2028 driven by a pipeline of organic growth projects including Sangomar (targeting first oil in mid CY24), Scarborough (targeting first LNG in 2026), and Trion (targeting first oil in 2028). WDS was disciplined and recently terminated potential merger discussions with Santos. However, WDS continues to assess potential M&A transactions focussed on LNG, deepwater oil and new energy. Sangomar was 93% complete at year-end 2023 with 17 wells drilled and completed while the FPSO recently arrived in Senegal from Singapore.

## Targeting 15% lower equity scope 1-2 emission by 2025

WDS has achieved a 12.5% reduction in its net equity scope 1-2 GHG emissions vs. its starting base and is targeting a 15% decrease by 2025 and -30% by 2030. In 2023, 70% of WDS' gross equity Scope 1 GHG emissions were from fuel combustion to power assets, 22% from venting of which the majority is associated with removal of reservoir CO<sub>2</sub> as part of the LNG process, and 8% from flaring. In its Climate Transition Action Plan, WDS has outlined plans to reduce GHG emissions through Design Out (avoiding emissions), Operate Out (reduce emissions in ops), and Offset (buying carbon credits).

Estimates (Dec) (US\$)	2022A	2023A	2024E	2025E	2026E
Net Profit b/f Abnormals	5,080	3,320	2,876	3,363	2,555
EPS	3.33	1.74	1.50	1.76	1.34
EPS Change (YoY)	99.9%	-47.9%	-13.4%	16.9%	-24.0%
Dividend / Share	3.17	2.23	1.20	1.41	1.07
Free Cash Flow / Share	3.72	0.447	0.844	2.26	3.11
Valuation (Dec)					
P/E	6.16x	11.89x	13.16x	11.26x	14.82x
Dividend Yield	15.44%	10.81%	6.08%	7.11%	5.40%
EV / EBITDA*	3.51x	5.53x	4.98x	4.39x	4.59x
Free Cash Flow Yield*	15.09%	2.27%	4.29%	11.49%	15.80%

\* For full definitions of *IQmethod*<sup>SM</sup> measures, see page 7.

27 February 2024

## Equity

## Key Changes

(US\$)	Previous	Current
Price Obj.	A\$34.70	A\$33.00
2024E EPS	1.46	1.50
2025E EPS	1.85	1.76
2026E EPS	NA	1.34
2024E EBITDA (m)	9,441.6	9,606.7
2025E EBITDA (m)	10,654.4	10,553.5
2026E EBITDA (m)	NA	9,256.7

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Merrill Lynch (Australia)

## Stock Data

Price	30.28 AUD
Price Objective	33.00 AUD
Date Established	27-Feb-2024
Investment Opinion	B-1-7
52-Week Range	28.76 AUD-39.03 AUD
Mrkt Val / Shares Out (mn)	37,598 USD / 1,898.7
Market Value (mn)	57,494 AUD
Average Daily Value (mn)	111.11 USD
Free Float	100.0%
BofA Ticker / Exchange	WOPEF / ASX
Bloomberg / Reuters	WDS AU / WDS.AX
ROE (2024E)	8.3%
Net Dbt to Eqty (Dec-2023A)	8.9%

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**Refer to important disclosures on page 8 to 10. Analyst Certification on page 6. Price Objective Basis/Risk on page 6.**

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Timestamp: 27 February 2024 04:43AM EST

# iQprofile<sup>SM</sup> Woodside Energy Group

## Key Income Statement Data (Dec)

(US\$ Millions)

	2022A	2023A	2024E	2025E	2026E
<b>Sales</b>	<b>16,615</b>	<b>13,801</b>	<b>13,323</b>	<b>14,321</b>	<b>13,479</b>
Associates & Other Revenue	202	193	195	195	430
Operating Expenses	(5,583)	(4,686)	(3,911)	(3,963)	(4,653)
<b>EBITDA</b>	<b>11,234</b>	<b>9,308</b>	<b>9,607</b>	<b>10,553</b>	<b>9,257</b>
Depreciation & Amortization	(2,948)	(6,056)	(4,401)	(4,726)	(4,767)
<b>EBIT</b>	<b>8,286</b>	<b>3,252</b>	<b>5,206</b>	<b>5,828</b>	<b>4,490</b>
Net Interest & Other income	(12)	(34)	(189)	(121)	41
Pretax Income	8,274	3,218	5,018	5,707	4,531
Tax (expense) / Benefit	(2,599)	(1,551)	(2,005)	(2,212)	(1,859)
Outside Equity interest in Npat	(595)	1,653	(136)	(132)	(117)
<b>Preference dividends</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Net Profit b/f Abnormals</b>	<b>5,080</b>	<b>3,320</b>	<b>2,876</b>	<b>3,363</b>	<b>2,555</b>
Non-Recurring Items	1,268	(1,660)	0	0	0
Net Income (Reported)	6,348	1,660	2,876	3,363	2,555

## Key Cash Flow Statement Data

EBITDA	11,234	9,308	9,607	10,553	9,257
Change in Working Capital	(900)	(909)	(818)	(494)	753
Other Cflow Items before int & tax	19	20	0	0	0
Net Interest Paid	108	264	187	423	671
Tax Paid	(1,218)	(2,916)	(1,505)	(1,712)	(1,359)
Other Cflow from Operations	(432)	378	(876)	(1,043)	(1,131)
<b>Cash Flow from Operations</b>	<b>8,811</b>	<b>6,145</b>	<b>6,595</b>	<b>7,727</b>	<b>8,191</b>
Capital Expenditure (PP&E)	(3,136)	(5,291)	(4,981)	(3,405)	(2,252)
(Acquisition) / Disposal of Investments	(343)	(313)	0	0	0
Other Cflow from Investing	1,214	19	1,930	(350)	(350)
<b>Cash Flow from Investing</b>	<b>(2,265)</b>	<b>(5,585)</b>	<b>(3,051)</b>	<b>(3,755)</b>	<b>(2,602)</b>
Shares Issue / (Repurchase)	(144)	0	0	0	0
Dividend paid	(2,558)	(4,253)	(2,301)	(2,690)	(2,044)
Other Cflow from Financing	(662)	(747)	2,138	2,000	(1,000)
<b>Cash Flow from Financing</b>	<b>(3,364)</b>	<b>(5,000)</b>	<b>(163)</b>	<b>(690)</b>	<b>(3,044)</b>
Free Cash Flow	5,675	854	1,614	4,322	5,939
Net Debt	(1,063)	3,143	1,900	619	(2,926)

## Key Balance Sheet Data

Cash Equivalents	6,201	1,740	5,311	8,592	11,137
Receivables & Inventories	3,112	2,972	3,067	3,228	3,070
Property, Plant & Equipment	265	763	763	763	763
Intangibles	0	0	0	0	0
Other assets	49,743	49,886	48,537	47,566	45,401
<b>Total Assets</b>	<b>59,321</b>	<b>55,361</b>	<b>57,678</b>	<b>60,149</b>	<b>60,371</b>
Payables	2,130	1,764	1,942	2,008	3,003
<b>Provisions</b>	<b>10,271</b>	<b>9,186</b>	<b>8,286</b>	<b>7,886</b>	<b>7,486</b>
Short term debt & Long term debt	5,138	4,883	7,211	9,211	8,211
Other Liabilities	4,655	4,358	4,358	4,358	4,358
<b>Total Liabilities</b>	<b>22,194</b>	<b>20,191</b>	<b>21,797</b>	<b>23,463</b>	<b>23,058</b>
<b>Total Equity</b>	<b>37,127</b>	<b>35,170</b>	<b>35,881</b>	<b>36,686</b>	<b>37,313</b>

## iQmethod<sup>SM</sup> - Bus Performance\*

Return on Capital Employed	15.0%	3.5%	6.3%	7.1%	5.6%
Return on Equity	20.4%	9.4%	8.3%	9.5%	7.1%
Operating Margin	49.9%	23.6%	39.1%	40.7%	33.3%
EBITDA Margin	66.8%	66.5%	71.1%	72.7%	66.5%

## iQmethod<sup>SM</sup> - Quality of Earnings\*

Cash Realization Ratio	1.7x	1.9x	2.3x	2.3x	3.2x
Dividend Payout Ratio	95.2%	128.6%	80.0%	80.0%	80.0%
Tax Rate (Reported)	31.4%	48.2%	40.0%	38.8%	41.0%
Net Debt-to-Equity Ratio	-2.9%	8.9%	5.3%	1.7%	-7.8%
Interest Cover	49.6x	10.6x	13.8x	10.7x	7.1x

## Key Metrics

Franking	100%	100%	100%	100%	100%
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\* For full definitions of iQmethod<sup>SM</sup> measures, see page 7.

## Company Sector

Oil &amp; Gas Producers

## Company Description

Woodside is Australia's largest oil & gas company with annual production of c.200 mmboe and is also a top 10 global E&P and supplier of LNG. Woodside's asset portfolio mainly comprises large, low cost, long life LNG assets in Australia and high margin oil production in the US Gulf of Mexico.

## Investment Rationale

We rate Woodside as a Buy with the shares below our riskd NAV and offering an attractive dividend yield. Woodside benefits from a diversified portfolio of assets comprising LNG focused operations in Australia and deepwater oil assets in the US Gulf of Mexico, low operating costs, a strong balance sheet and attractive growth projects including Scarborough/Pluto Train 2 and Trion.

## Stock Data

Price to Book Value

1.1x

## 2023 result highlights

Woodside (WDS) has reported FY23 results with underlying EBITDA of \$9.3bn, in-line with consensus of \$9.2bn (-3% vs BofAe \$9.6bn). WDS declared a final dividend of 60 UScps resulting in FY23 dividends of 140 UScps (80% payout), 9% above consensus of 128 UScps (78% payout) yet in line with BofAe (143 UScps, 80% payout). Underlying NPAT of \$3.3bn for FY23 came in 9% above consensus of \$3.0bn (BofA \$3.4bn).

WDS' balance sheet remains strong with net gearing of 12%, at the lower end of its 10-20% target range. Guidance for 2024 production and capex remains unchanged. Unit production costs of \$8.3/boe rose 2% vs 2022 despite cost inflation and planned turnarounds.

We lower our 2024-26e EBITDA by 2% reflecting lower volumes from Sangomar and NWS. We reiterate our Buy rating and see 15% potential total shareholder return (TSR) to our \$33/share price objective.

### Exhibit 1: FY23 results summary

Underlying NPAT was 37% lower YoY largely attributable to lower energy prices,

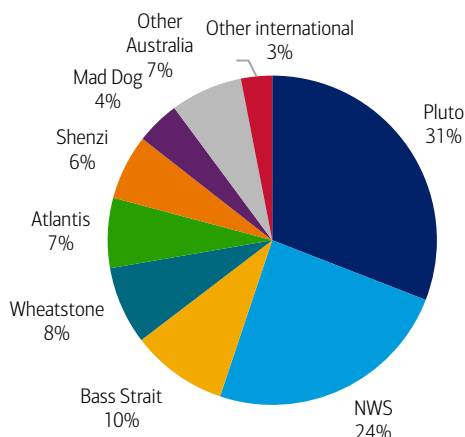
	Units	FY22a	FY23a	% YoY	BofAe	vs. BofA %	Cons.	vs. Cons. %
Revenue	\$m	16,817	13,994	-17%	14,249	-2%	14,093	-1%
Underlying EBITDA	\$m	11,234	9,363	-17%	9,621	-3%	9,234	1%
EBIT	\$m	9,186	3,307	-64%	3,420	-3%	3,759	-12%
Reported NPAT	\$m	6,498	1,660	-74%	1,750	-5%	1,714	-3%
Underlying NPAT	\$m	5,230	3,320	-37%	3,406	-3%	3,052	9%
EPS	US cps	430	88	-80%	179	-51%	164	-47%
DPS	US cps	253.0	140	-45%	143	-2%	128	9%
Operating cashflow	\$m	8,811	6,145	-30%	7,514	-18%	6,626	-7%
Total Capex	\$m	4,023	5,736	43%	5,440	5%	5,544	3%
Exploration spend	\$m	418	367	-12%	362	1%		na
Free cash flow	\$m	6,546	560	-91%	2,074	-73%	849	-34%
Unit production costs	\$/boe	8.1	8.3	2%	8.7	-5%	8.8	-6%

Source: BofA Global Research estimates

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### Exhibit 2: FY23 revenue by key asset

Pluto and NWS accounted for 55% of WDS revenue in FY23.

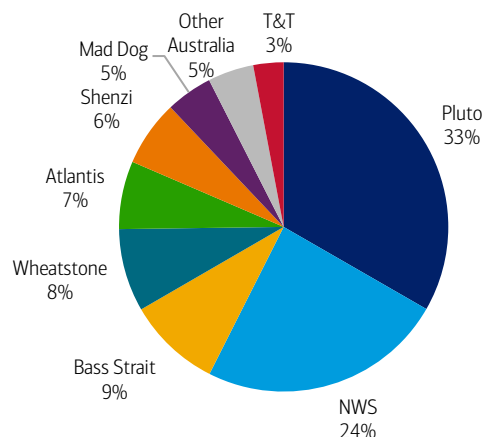


Source: BofA Global Research estimates, company report

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### Exhibit 3: FY23 EBITDA by key asset

WDS' LNG assets EBITDA margin averaged 84% in FY23.

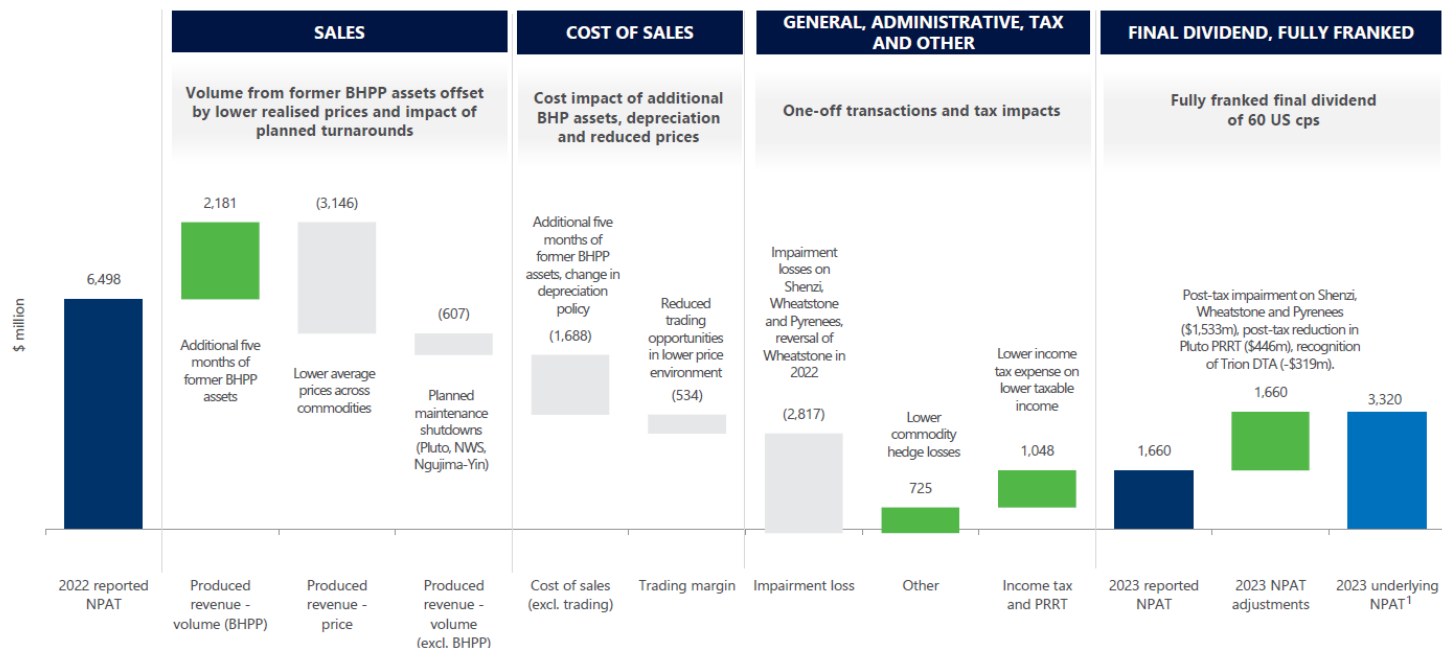


Source: BofA Global Research estimates, company report

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**Exhibit 5: NPAT reconciliation**

Underlying NPAT was 37% lower YoY largely attributable to lower energy prices, averaging \$69/boe in 2023 vs. \$98/boe in 2022.



Source: Woodside

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**Exhibit 6: Net equity Scope 1 and 2 emissions (Mt CO<sub>2</sub>-e)**

WDS have defined a roadmap to reduce emissions by 15% by 2025, driven by reduction at assets and offsets.

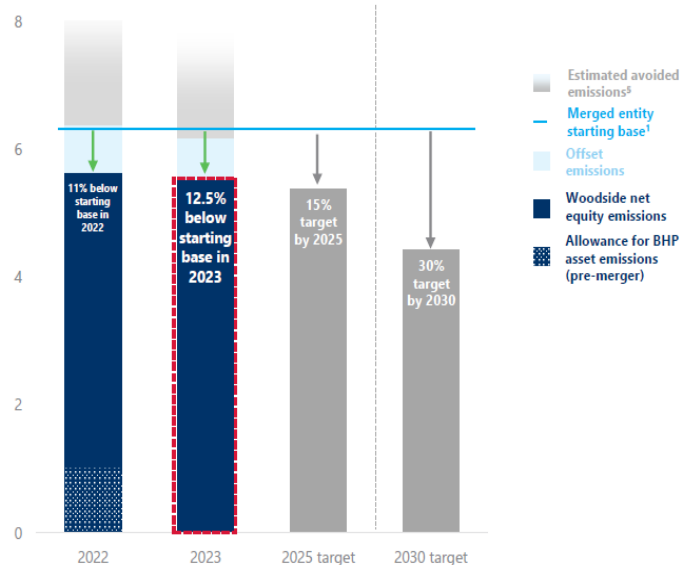
- Net equity Scope 1 and 2 emissions **12.5% below starting base**
- Achieved through emissions avoided or reduced at facilities and offsets
- Asset decarbonisation planning completed across merged portfolio of operated assets
- Further planning undertaken to support aspiration of net zero Scope 1 and 2 emissions by 2050

**Asset decarbonisation in practice****Lower carbon power: Pluto<sup>3</sup>**

- Modifications substantially completed at Pluto LNG to receive power from the proposed Woodside Solar project
- Estimated emissions reduction<sup>4</sup>:** 150 Ktpa CO<sub>2</sub>-e

**Flaring minimisation: Angostura**

- Updated and implemented 12 standing operational procedures to minimise gas flaring during facility startup
- Estimated emissions reduction<sup>4</sup>:** 26.5 Ktpa CO<sub>2</sub>-e



Source: Woodside

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# Valuation

Our DCF methodology assumes \$70/bbl Brent crude long term, AUD/USD of 0.65 and a 9.0% WACC (RfR 5%, ERP 5% and Beta of 1.0). Our WACC is lowered to 9.0% (previously 9.5%) based on increased gross debt estimates.

## Exhibit 7: Woodside summary valuation

We value WDS using a sum of the parts DCF with a 9.0% WACC and assume a long-term Brent crude oil price of \$70/bbl.

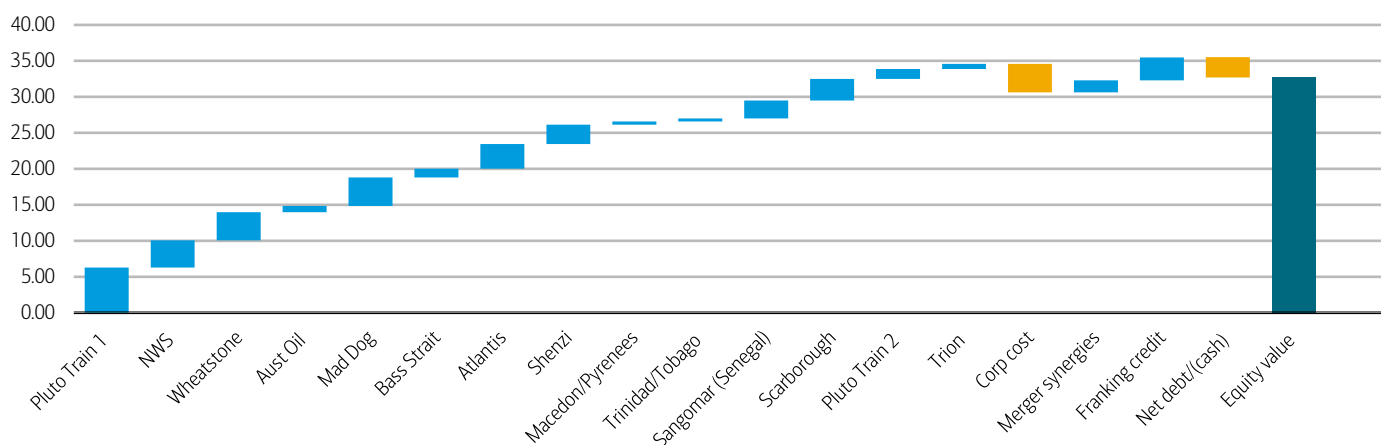
	WDS Interest %	Unrisked NAV A\$m	Risk Factor %	Riskd NAV A\$m	Unrisked NAV A\$/sh	Riskd NAV A\$/sh
<b>Producing Assets</b>						
Pluto Train 1	90.0%	11,982	100%	11,982	6.27	6.27
North West Shelf	33.4%	7,229	100%	7,229	3.78	3.78
Wheatstone	13.0%	7,471	100%	7,471	3.91	3.91
Mad Dog	23.9%	7,567	100%	7,567	3.96	3.96
Bass Strait	50.0%	2,346	100%	2,346	1.23	1.23
Atlantis	44.0%	6,544	100%	6,544	3.42	3.42
Shenzi	72.0%	5,147	100%	5,147	2.69	2.69
Greater Enfield	60.0%	1,667	100%	1,667	0.87	0.87
Macedon/Pyrenees	71.4%	851	100%	851	0.45	0.45
Trinidad/Tobago	45%/68.5%	781	100%	781	0.41	0.41
<b>Producing NAV</b>		<b>51,585</b>		<b>51,585</b>	<b>27.00</b>	<b>27.00</b>
<b>Development projects (post-FID)</b>						
Sangomar (Senegal)	82.0%	5,026	95%	4,775	2.63	2.50
Scarborough	74.9%	6,718	85%	5,710	3.52	2.99
Pluto Train 2	51.0%	3,136	85%	2,666	1.64	1.40
Trion	60.0%	1,777	75%	1,332	0.93	0.70
<b>Development NAV</b>		<b>16,657</b>		<b>14,483</b>	<b>8.72</b>	<b>7.58</b>
<b>Total Asset valuation</b>		<b>68,242</b>		<b>66,068</b>	<b>35.7</b>	<b>34.58</b>
Less corporate costs				(7,544)	(3.95)	(3.95)
Merger synergies				3,196	1.67	1.67
<b>Total enterprise value</b>		<b>68,242</b>		<b>61,720</b>	<b>33.4</b>	<b>32.30</b>
Franking Credits				6,010	3.17	3.17
Gross debt				13,578	7.11	7.11
Cash				8,171	4.28	4.28
<b>Net Debt (31 Dec 2024)</b>				<b>5,408</b>	<b>2.83</b>	<b>2.83</b>
<b>Equity Value (A\$m)</b>				<b>62,322</b>	<b>33.80</b>	<b>32.70</b>

Source: BofA Global Research estimates

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## Exhibit 7: Woodside NAV waterfall

Our \$33/share price objective is in-line with our equity value for WDS based on the sum of the parts DCF valuation.



Source: BofA Global Research

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## Price objective basis & risk

### Woodside Energy Group (WOPEF)

Our \$33.0/share price objective is based on our risk-adjusted NAV, which is a sum of the parts DCF valuation. Our DCF methodology assumes \$70/bbl Brent crude long term, AUD/USD of 0.65 and a 9.0% WACC (RfR 5%, ERP 5% and Beta of 1.0). As DCF is based on life of field cash flows including abandonment costs and there is no terminal value.

Upside risks to our PO: higher than forecast oil and LNG prices, lower than forecast capex and opex and progress in sanctioning its growth projects.

Downside risks to our PO: lower than forecast oil and LNG prices, lower than expected production due to unplanned outages, higher operating costs and cost overruns or delays at its growth projects.

## Analyst Certification

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

### APR - Energy Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Ampol Ltd	CTXAF	ALD AU	David Errington
	COSL	CHOLF	2883 HK	Yiming Wang
	Formosa Plastics	FSAPF	1301 TT	Joon-Ho Lee
	GS Holdings	GSHDF	078930 KS	Joon-Ho Lee
	Indorama Ventures Public Company Limited	INDMF	IVL TB	Komsun Suksumrun
	Karoon Energy	KRNGF	KAR AU	James Redfern
	Kumho Petrochemical	KKMHF	011780 KS	Joon-Ho Lee
	Kunlun Energy - H	KUNUF	135 HK	Yiming Wang
	LG Chem	LGCLF	051910 KS	Joon-Ho Lee
	LG Energy Solution	XQIEF	373220 KS	Joon-Ho Lee
	Oil and Natural Gas Corporation Limited	XOFOF	ONGC IN	Bharat Subramanian
	Oil India Limited	XLCRF	OINL IN	Bharat Subramanian
	People & Technology	XDFYF	137400 KS	Joon-Ho Lee
	PetroChina	PCCYF	857 HK	Matty Zhao
	Petrochina Co Ltd-A	XPCLF	601857 CH	Matty Zhao
	POSCO Future M	XTAMF	003670 KS	Joon-Ho Lee
	PTT Exploration	PTXLF	PTTEP TB	Komsun Suksumrun
	PTT Global Chemical PLC	XPGOF	PTTGC TB	Komsun Suksumrun
	PTT pcl	PTTPF	PTT TB	Komsun Suksumrun
	Reliance Inds	XRFLF	RELIANCE IN	Sachin Salgaonkar
	Santos Ltd	STOSF	STO AU	James Redfern
	Sinopec	SNPMF	386 HK	Matty Zhao
	Sinopec -A	SNPAF	600028 CH	Matty Zhao
	Sinopec Engineering	SENGF	2386 HK	Yiming Wang
	SK IE Technology	XKWRF	361610 KS	Joon-Ho Lee
	SK Innovation	SKOVF	096770 KS	Joon-Ho Lee
	SKC	XSXOF	011790 KS	Joon-Ho Lee
	S-Oil	SOOCF	010950 KS	Joon-Ho Lee
	Star Petroleum Refining	XJSJF	SPRC TB	Komsun Suksumrun
	Thai Oil - L	TOIJF	TOP TB	Komsun Suksumrun
	Viva Energy	XVWWF	VEA AU	David Errington
	Wanhua Chemical	YWNHF	600309 CH	Yiming Wang
	Woodside Energy Group	WOPEF	WDS AU	James Redfern
<b>NEUTRAL</b>				
	Beach Energy Limited	BEPTF	BPT AU	James Redfern
	Envicool	XPTIF	002837 CH	Cheng Gao
	Formosa Chemicals & Fibre	XFUMF	1326 TT	Joon-Ho Lee

## APR - Energy Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Hanwha Solutions Corp.	HNWFF	009830 KS	Joon-Ho Lee
	Indian Oil Corporation Limited	IOCOF	IOCL IN	Bharat Subramanian
	L&F	XLNTF	066970 KS	Joon-Ho Lee
	Nan Ya Plastics	NNYPF	1303 TT	Joon-Ho Lee
	PTT Oil and Retail Business	XNINF	OR TB	Komsun Suksumrun
	Solus Advanced Materials	XSOAF	336370 KS	Joon-Ho Lee

## UNDERPERFORM

	Bharat Petroleum Corporation Limited	XBPCF	BPCL IN	Bharat Subramanian
	COSL	XCNRF	601808 CH	Yiming Wang
	Ecopro BM	XKURF	247540 KS	Joon-Ho Lee
	Formosa Petrochemical	FPTCF	6505 TT	Joon-Ho Lee
	Hindustan Petroleum Corporation Limited	XHTPF	HPCL IN	Bharat Subramanian
	IRPC	IRPSF	IRPC TB	Komsun Suksumrun
	Lotte Chemical Corporation	XLCCF	011170 KS	Joon-Ho Lee
	Petronas Chemicals	PECGF	PCHEM MK	Joon-Ho Lee
	Pylon Tech	XPTDF	688063 CH	Cheng Gao
	Sinopec Shanghai Petrochemical Co	SPTJF	338 HK	Yiming Wang
	Sinopec Shanghai Petrochemical Co	SINFF	600688 CH	Yiming Wang

iQmethod<sup>SM</sup> Measures Definitions

## Business Performance

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

## Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

## Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill Amortization

Shareholders' Equity

Sales

N/A

N/A

## Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

## Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash &amp; Equivalents

EBIT

## Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

## Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

## Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

EV = Current Share Price × Current Shares + Minority Equity + Net Debt +

Other LT Liabilities

Enterprise Value

## Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

EV / EBITDA

Basic EBIT + Depreciation + Amortization

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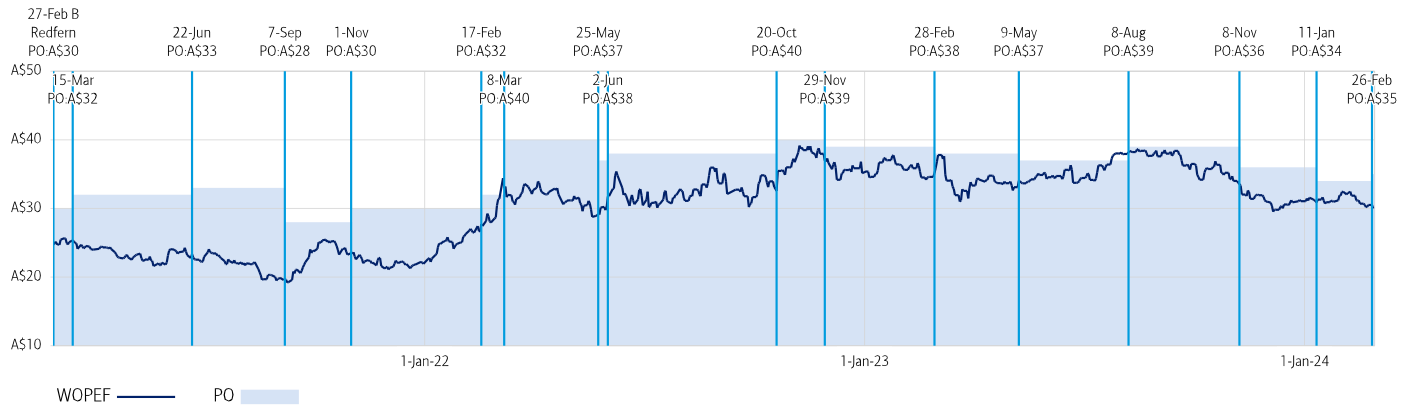
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B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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

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

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	83	61.48%	Buy	64	77.11%
Hold	28	20.74%	Hold	21	75.00%
Sell	24	17.78%	Sell	18	75.00%

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

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

<sup>R1</sup> Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster <sup>R2</sup>
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

<sup>R2</sup> Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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