

Etsy, Inc.

# 1Q23 largely inline; 2Q GMS midpoint slightly below; Maintain Neutral

Reiterate Rating: NEUTRAL | PO: 123.00 USD | Price: 98.97 USD

## Revenue and EBTIDA above ests., GMS line with Street

Etsy reported 1Q23 earnings largely in line with Street expectations and our estimates, driven by intra-quarter GMS improvement and better a than forecast take rate. Etsy reported 1Q GMS/revenues/EBTIDA of \$3.10bn/\$641mn/\$170mn vs. our estimates of \$3.15bn/\$629mn/\$168mn and the Street's \$3.07bn/\$621mn/\$166mn. Consolidated GMS was down -4.6% y/y, with FX headwinds accounted for a -2% headwind on GMS in the quarter. Though active buyers were flat in 1Q, Etsy highlighted 7mn new buyers; Habitual buyers (defined as a buyer with 6+ purchases per year) were down y/y but stable sequentially, with the company noting stronger trends overseas than in the US.

## GMS Guide slightly below BofA/Street at the midpoint

2Q GMS guidance of \$2.98 at the midpoint was slightly below the Street as was revenue guide of \$615mn at the midpoint but likely better than buy side investor expectations given shares are down 24% since 1Q earnings (vs. +2% for S&P 500). 2Q23 EBTIDA margin guidance of ~26% compares to consensus of 26.5% (guide implies \$160mn vs. Street at \$159mn). ETSY noted improvement in March and a strong 2Q so far and if momentum continues GMS could be at the high-end of guidance. The biggest question for Etsy in 2023 is its path to reaccelerated GMS growth (2Q guidance of \$2.85-\$3.15bn implies -1% Y/Y at midpoint vs. -3% in 1Q (ex-FX). We forecast GMS growth of 4% in 2H23. Comparisons get easier in 2H, buyer trends have improved, and improvements continue in search and product discoverability. However, we think lower consumer confidence and an uncertain macro could be restraint on growth above our estimates.

## 2Q off to a decent start but trends remain volatile

We lower 2Q GMS slightly to \$3.03bn (was \$3.09) but raise revenue 1% to \$626mn on higher take rates. We now project EBITDA of \$161mn vs. \$159mn prior. For 2023, we raise revenue by 1.3% to \$2.76bn (8% Y/Y) and EBITDA by 1.2% to \$767mn. For 2024, we raise revenue to \$3.01bn (9% Y/Y) and EBITDA by 0.3% to \$866mn.

## Strong model but valuation still limited by growth; Neutral

We are encouraged by Etsy's progress amid weak macro but projected growth is below historic levels and this is likely to limit multiple expansion, in our view. Our PO remains \$123 based on 19x our 2024E EV/EBITDA; Neutral.

Estimates (Dec) (US\$)	2021A	2022A	2023E	2024E	2025E
EPS	4.56	4.08	4.30	4.85	5.56
GAAP EPS	3.36	(4.94)	2.59	3.11	3.72
EPS Change (YoY)	44.3%	-10.5%	5.4%	12.8%	14.6%
Consensus EPS (Bloomberg)			3.79	4.40	4.89
DPS	0	0	0	0	0
Valuation (Dec)					
P/E	21.7x	24.3x	23.0x	20.4x	17.8x
GAAP P/E	29.5x	NM	38.2x	31.8x	26.6x
Dividend Yield	0%	0%	0%	0%	0%
EV / EBITDA*	19.2x	19.2x	18.0x	15.9x	14.0x
Free Cash Flow Yield*	5.2%	5.5%	6.0%	6.8%	7.5%

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

04 May 2023

### Equity

#### Key Changes

(US\$)	Previous	Current
2023E Rev (m)	2,729.9	2,765.0
2024E Rev (m)	2,980.7	3,006.8
2025E Rev (m)	3,280.7	3,311.0
2023E EPS	3.94	4.30
2024E EPS	4.58	4.85
2025E EPS	5.26	5.56

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### Stock Data

Price	98.97 USD
Price Objective	123.00 USD
Date Established	1-May-2023
Investment Opinion	C-2-9
52-Week Range	67.01 USD - 149.91 USD
Mrkt Val (mn) / Shares Out (mn)	12,205 USD / 123.3
Average Daily Value (mn)	280.19 USD
BofA Ticker / Exchange	ETSY / NAS
Bloomberg / Reuters	ETSY US / ETSY.OQ
ROE (2023E)	NA
Net Dbt to Eqty (Dec-2022A)	NA

ESGMeter™ **High**

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to ["BofA ESGMeter Methodology"](#).

GMS = Gross Merchandise Sales

Take rate = revenue divided by GMS

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Refer to important disclosures on page 8 to 10. Analyst Certification on page 5. Price Objective Basis/Risk on page 5.

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# iQprofile<sup>SM</sup> Etsy, Inc.

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

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Return on Capital Employed	16.4%	-22.7%	17.6%	19.0%	20.1%
Return on Equity	97.5%	1,412.5%	NM	NM	6,701.0%
Operating Margin	20.0%	-25.7%	14.2%	15.9%	17.4%
Free Cash Flow	640	673	727	830	921

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

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Cash Realization Ratio	1.0x	1.2x	1.2x	1.2x	1.2x
Asset Replacement Ratio	0.2x	0.1x	0.1x	0.1x	0.1x
Tax Rate	NM	NM	11.7%	13.0%	14.0%
Net Debt-to-Equity Ratio	237.9%	NM	NM	NM	372.3%
Interest Cover	NA	NM	NA	NA	NA

## Income Statement Data (Dec)

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Sales	2,329	2,566	2,765	3,007	3,311
% Change	35.0%	10.2%	7.8%	8.7%	10.1%
Gross Profit	1,688	1,845	1,991	2,177	2,404
% Change	33.0%	9.3%	7.9%	9.3%	10.4%
EBITDA	717	717	767	866	987
% Change	30.5%	0%	7.0%	12.8%	14.0%
Net Interest & Other Income	6	(3)	22	25	25
<b>Net Income (Adjusted)</b>	<b>668</b>	<b>574</b>	<b>610</b>	<b>682</b>	<b>773</b>
<b>% Change</b>	<b>55.2%</b>	<b>-14.0%</b>	<b>6.3%</b>	<b>11.7%</b>	<b>13.4%</b>

## Free Cash Flow Data (Dec)

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Net Income from Cont Operations (GAAP)	494	(694)	368	437	517
Depreciation & Amortization	74	97	100	105	111
Change in Working Capital	24	40	25	51	41
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	60	1,241	248	252	269
Capital Expenditure	(11)	(10)	(13)	(15)	(17)
<b>Free Cash Flow</b>	<b>640</b>	<b>673</b>	<b>727</b>	<b>830</b>	<b>921</b>
<b>% Change</b>	<b>-5.5%</b>	<b>5.2%</b>	<b>7.9%</b>	<b>14.3%</b>	<b>10.9%</b>

## Balance Sheet Data (Dec)

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Cash & Equivalents	780	921	986	1,282	1,653
Trade Receivables	27	28	30	33	40
Other Current Assets	534	565	628	641	680
Property, Plant & Equipment	275	250	241	224	207
Other Non-Current Assets	2,215	871	880	861	841
<b>Total Assets</b>	<b>3,832</b>	<b>2,635</b>	<b>2,766</b>	<b>3,040</b>	<b>3,420</b>
Short-Term Debt	0	0	0	0	0
Other Current Liabilities	616	632	581	629	690
Long-Term Debt	2,275	2,280	2,281	2,281	2,281
Other Non-Current Liabilities	312	271	277	276	281
<b>Total Liabilities</b>	<b>3,203</b>	<b>3,182</b>	<b>3,138</b>	<b>3,186</b>	<b>3,252</b>
<b>Total Equity</b>	<b>629</b>	<b>(547)</b>	<b>(373)</b>	<b>(145)</b>	<b>169</b>
<b>Total Equity &amp; Liabilities</b>	<b>3,832</b>	<b>2,635</b>	<b>2,766</b>	<b>3,040</b>	<b>3,420</b>

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

## Company Sector

Internet/e-Commerce

## Company Description

Etsy, Inc. is a US-based ecommerce company that operates online marketplaces connecting nearly 100mn buyers and 9mn sellers globally. It specializes in handmade and/or vintage items, art, and craft supplies. As of 2021 Etsy generated \$13.5bn in gross merchandise sales and \$2.3bn in total revenues. Revenue is primarily generated from listing and transaction fees, seller services such as advertising, and shipping labels.

## Investment Rationale

Etsy has built a high margin and differentiated marketplace that in our view has strong competitive barriers given that it does not directly compete with larger retailers and marketplaces. We believe that Etsy can return to high-single-digit revenue growth in mid-2023 as compares ease and relative market share remains low. However in the near-to-medium term we are cautious on revenues re-accelerating due to reopening and high macro risk which could impair demand for Etsy's discretionary products

## Stock Data

Average Daily Volume 2831,214

## Quarterly Earnings Estimates

	2022	2023
Q1	0.93A	0.96A
Q2	0.95A	0.87E
Q3	1.07A	1.04E
Q4	1.14A	1.43E

# Actuals vs. Estimates

## Exhibit 1: 1Q23 Actual results vs. estimates

1Q23 GMS came in at \$3.10bn vs. our estimate of \$3.15bn and consensus estimates of \$3.08bn

Etsy, Inc.	1Q23A   As of 3/31/22			
	Actual	Estimate	Consensus	Difference
<b>Key Metrics</b>				
Active Buyers	95,526	95,578	94,607	(52)
% YoY Growth	0%	1%		-0.1%
Active Sellers	7,942.00	7,577.46	7,649.30	364.5
% YoY Growth	4%	-1%		4.8%
<b>Gross merchandise sales (GMS)</b>	<b>3,101,358</b>	<b>3,145,058</b>	3,078,588	<b>(43,700)</b>
<b>Income Statement</b>				
<b>Net Revenue (\$ M)</b>	<b>640,877</b>	<b>629,012</b>	621,477	<b>11,865</b>
% Sales Growth YoY	11%	9%		2.0%
% QoQ	-21%	-22%		1.5%
Total COGS	188,328	179,268	175,536	9,060
Gross Profit	452,549	449,743	445,942	2,806
Gross Margin	70.6%	71.5%	71.8%	-0.9%
Operating Expenses				
Research and Development	77,210	81,772	76,306.5	(4,562)
% of Revenue	12%	13%	12%	-1.0%
Sales and Marketing	165,146	165,430	161,320	-284
% of Revenue	26%	26%	26%	-0.5%
General and Administrative	63,311	62,901	65,418	410
% of Revenue	10%	10%	11%	-0.1%
Stock-based Compensation	68,683	62,901	60,750	5,782
% of Revenue	11%	10%	10%	0.7%
Total Operating Expenses	374,350	373,004	363,794	1,346
% of Revenue	58%	59%	59%	-0.9%
<b>Operating Income</b>	<b>78,199</b>	<b>76,739</b>	<b>82,148</b>	<b>1,460</b>
% Margin	12%	12%	13%	0.0%
Interest expense (income), net	5,689	(2,865)		8,554
Earnings Before Tax	81,271	76,374		4,897
Income Tax Expense (Benefit)	6,734	9,547		-2,813
Effective Tax Rate (GAAP)	8%	13%		-4.2%
Net Income (GAAP)	74,537	66,828	69,229	7,709
% Margin	12%	11%	11%	1.0%
<b>Diluted GAAP EPS</b>	<b>\$0.52</b>	<b>\$0.46</b>	0.48	<b>\$0.06</b>
<b>Adjusted EBITDA</b>	<b>170,344</b>	<b>167,641</b>	166,194.5	<b>2,703</b>
% Margin	<b>27%</b>	<b>27%</b>	<b>27%</b>	<b>-0.1%</b>
Non-GAAP Net Income	137,529	121,866	127,035.0	15,663
% Margin	21.5%	19.4%	20%	2.1%
Diluted EPS Non-GAAP	\$0.96	\$0.85	\$0.88	\$0.12
<b>Cash Flow</b>				
Free Cash Flow	47,425	-4,416	80,360.7	51,841

Source: BofA Global Research Estimates, Company Materials, Visible Alpha

BofA GLOBAL RESEARCH



# Estimate Changes

## Exhibit 2: ETSY estimate Changes

We raise estimates slightly

	2023E			2023E			2024E		
	New	Old	Difference	New	Old	Difference	New	Old	Difference
<b>Key Metrics</b>									
Active Buyers	96,061	96,061	0	96,978	96,978	0	103,766	103,766	0
% YoY Growth	2%	2%	0.0%	2%	2%	0.0%	7%	7%	0.0%
Active Sellers	7,847	7,625	222	7,769	7,769	0	8,157	8,157	0
% YoY Growth	6%	3%	3.0%	4%	4%	0.0%	5%	5%	0.0%
<b>Gross merchandise sales (GMS)</b>	<b>3,029,777</b>	<b>3,090,373</b>	<b>-2.0%</b>	<b>13,448,816</b>	<b>13,553,112</b>	<b>-0.8%</b>	<b>14,465,026</b>	<b>14,575,579</b>	<b>-0.8%</b>
<b>Income Statement</b>									
Net Revenue (\$ M)	625,649	621,165	4,484	2,765,042	2,729,909	35,132	3,006,771	2,980,706	26,065
% Sales Growth YoY	7%	6%	0.8%	8%	6%	1.4%	9%	9%	-0.4%
% QoQ	-2%	-1%	-1.1%	0%	0%	0.0%	0%	0%	0.0%
Total COGS	174,556	173,305	1,251	773,931	758,424	15,507	829,869	822,675	7,194
Gross Profit	451,093	447,860	3,233	1,991,110	1,971,485	19,625	2,176,902	2,158,031	18,871
Gross Margin	72.1%	72.1%	0.0%	72.0%	72.2%	-0.2%	72.4%	72.4%	0.0%
Operating Expenses									
Research and Development	80,083	81,683	(1,600)	321,993	327,855	(5,862)	344,511	342,781	1,730
% of Revenue	13%	13%	-0.4%	12%	12%	-0.4%	11%	12%	0.0%
Sales and Marketing	172,679	170,820	1,859	745,712	739,259	6,454	808,256	795,848	12,407
% of Revenue	28%	28%	0.1%	27%	27%	-0.1%	27%	27%	0.2%
General and Administrative	63,816	62,738	1,079	255,314	253,059	2,255	265,264	265,283	-18
% of Revenue	10%	10%	0.1%	9%	9%	0.0%	9%	9%	-0.1%
Stock-based Compensation	68,821	62,116	6,705	274,151	248,846	25,305	281,013	265,283	15,731
% of Revenue	11%	10%	1.0%	10%	9%	0.8%	9%	9%	0.4%
Total Operating Expenses	385,400	377,358	8,042	1,597,170	1,569,019	28,151	1,699,045	1,669,195	29,849
% of Revenue	62%	61%	0.9%	58%	57%	0.3%	57%	56%	0.5%
<b>Operating Income</b>	<b>65,693</b>	<b>70,502</b>	<b>-4,809</b>	<b>393,940</b>	<b>402,466</b>	<b>-8,526</b>	<b>477,857</b>	<b>488,836</b>	<b>-10,979</b>
% Margin	11%	11%	-0.9%	14%	15%	-0.5%	16%	16%	-0.5%
Interest expense (income), net	5,689	(2,865)	8,554	22,756	(11,460)	34,216	22,756	(11,460)	34,216
Earnings Before Tax	72,632	68,887	3,745	416,329	395,756	20,573	502,613	479,376	23,237
Income Tax Expense (Benefit)	9,079	8,611	468	48,616	49,469	(853)	65,340	62,319	3,021
Effective Tax Rate (GAAP)	13%	13%	0.0%	12%	13%	-0.8%	13%	13%	0.0%
Net Income (GAAP)	63,553	60,276	3,277	367,713	346,286	21,427	437,273	417,057	20,216
% Margin	10%	10%	0.5%	13%	13%	0.6%	15%	14%	0.6%
Diluted GAAP EPS	\$0.45	\$0.42	\$0.03	\$2.59	\$2.42	\$0.17	\$3.11	\$2.95	\$0.17
Adjusted EBITDA	161,265	159,369	1,896	767,396	758,062	9,334	865,543	863,119	2,424
% Margin	26%	26%	0.1%	28%	28%	0.0%	29%	29%	-0.2%
Non-GAAP Net Income	123,772	114,628	9,144	610,489	564,027	46,462	681,755	647,853	33,902
% Margin	19.8%	18.5%	1.3%	22.1%	20.7%	1.4%	22.7%	21.7%	0.9%
Diluted EPS Non-GAAP	\$0.87	\$0.80	\$0.07	\$4.30	\$3.94	\$0.35	\$4.85	\$4.58	\$0.27

Source: BofA Global Research

BofA GLOBAL RESEARCH



## Price objective basis & risk

### Etsy, Inc. (ETSY)

Our \$123 price objective is based on 19x 2024E EV/EBITDA. This is a discount to Etsy's 5-year average of 25x (ranging from 10x 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 premium valuation to overall eCommerce and marketplaces due to significantly higher gross and EBITDA margins and high 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: 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.

## 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
<b>BUY</b>				
	ACV Auctions	ACVA	ACVA US	Nat Schindler
	Alphabet	GOOGL	GOOGL US	Justin Post
	Alphabet	GOOG	GOOG US	Justin Post
	Amazon.com	AMZN	AMZN US	Justin Post
	Arhaus, Inc	ARHS	ARHS US	Curtis Nagle, CFA
	Bumble, Inc.	BMBL	BMBL US	Nat Schindler
	Chewy Inc	CHWY	CHWY US	Nat Schindler
	Digital Turbine, Inc	APPS	APPS US	Omar Dessouky, CFA
	DoorDash	DASH	DASH US	Michael McGovern
	Duolingo	DUOL	DUOL US	Nat Schindler
	Expedia	EXPE	EXPE US	Justin Post
	Fiverr	FVRR	FVRR US	Nat Schindler
	Intact Financial	YIFC	IFC CN	Grace Carter, CFA
	LendingTree	TREE	TREE US	Nat Schindler
	Match Group	MTCH	MTCH US	Nat Schindler
	Meta Platforms Inc	META	META US	Justin Post
	NerdWallet Inc	NRDS	NRDS US	Nat Schindler
	Peloton	PTON	PTON US	Justin Post
	RH	RH	RH US	Curtis Nagle, CFA
	Roblox Corp. Class A	RBLX	RBLX US	Omar Dessouky, CFA
	Shutterstock	SSTK	SSTK US	Nat Schindler
	Squarespace Inc	SQSP	SQSP US	Nat Schindler
	Take-Two Interactive	TTWO	TTWO US	Omar Dessouky, CFA
	Tempur Sealy International Inc.	TPX	TPX US	Curtis Nagle, CFA
	TripAdvisor	TRIP	TRIP US	Nat Schindler
	Uber	UBER	UBER US	Justin Post
	Udemy Inc	UDMY	UDMY US	Nat Schindler
	Wayfair	W	W US	Curtis Nagle, CFA
	Wix.com	WIX	WIX US	Nat Schindler
	Xometry	XMTR	XMTR US	Nat Schindler



## US - Internet Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Zillow	ZG	ZG US	Curtis Nagle, CFA
	Zillow	Z	Z US	Curtis Nagle, CFA
<b>NEUTRAL</b>				
	1stDibs.com	DIBS	DIBS US	Curtis Nagle, CFA
	Airbnb	ABNB	ABNB US	Justin Post
	AppLovin	APP	APP US	Omar Dessouky, CFA
	Beachbody	BODY	BODY US	Joanna Zhao
	Booking Holdings Inc	BKNG	BKNG US	Justin Post
	Carvana Co	CVNA	CVNA US	Nat Schindler
	eBay	EBAY	EBAY US	Curtis Nagle, CFA
	Electronic Arts	EA	EA US	Omar Dessouky, CFA
	Etsy, Inc.	ETSY	ETSY US	Curtis Nagle, CFA
	LegalZoom	LZ	LZ US	Nat Schindler
	Overstock.com Inc	OSTK	OSTK US	Curtis Nagle, CFA
	Pinterest	PINS	PINS US	Justin Post
	Snap	SNAP	SNAP US	Justin Post
	Upwork Inc	UPWK	UPWK US	Nat Schindler
	Viant	DSP	DSP US	Nat Schindler
<b>UNDERPERFORM</b>				
	AdTheorent	ADTH	ADTH US	Nat Schindler
	Cardlytics	CDLX	CDLX US	Nat Schindler
	Lyft, Inc.	LYFT	LYFT US	Michael McGovern
	Opendoor Technologies	OPEN	OPEN US	Curtis Nagle, CFA
	PLAYSTUDIOS, Inc. Class A	MYPs	MYPs US	Omar Dessouky, CFA
	Playtika	PLTK	PLTK US	Omar Dessouky, CFA
	Purple Innovation	PRPL	PRPL US	Curtis Nagle, CFA
	Redfin Corp	RDFN	RDFN US	Curtis Nagle, CFA
	SciPlay	SCPL	SCPL US	Omar Dessouky, CFA
	System1	SST	SST US	Nat Schindler
	The RealReal	REAL	REAL US	Michael McGovern
	Trivago NV	TRVG	TRVG US	Nat Schindler
	Upstart	UPST	UPST US	Nat Schindler
	Wish	WISH	WISH US	Michael McGovern

Method <sup>SM</sup> Measures Definitions

## Business Performance

Return On Capital Employed

Return On Equity  
Operating Margin  
Earnings Growth  
Free Cash Flow

## Numerator

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

## 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 & 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  
EV / EBITDA

## Numerator

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

## Denominator

Diluted Earnings Per Share (Basis As Specified)  
Shareholders' Equity / Current Basic Shares  
Current Share Price  
 $\text{Market Cap} = \text{Current Share Price} \times \text{Current Basic Shares}$   
Sales  
Basic EBIT + Depreciation + Amortization

Valuation Toolkit

Numerator

Denominator

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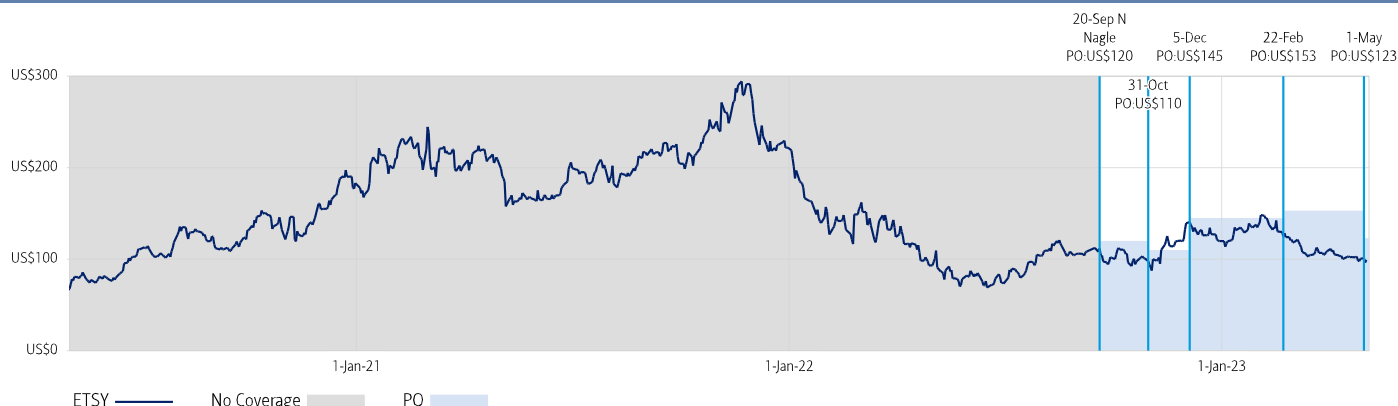
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B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	229	53.88%	Buy	107	46.72%
Hold	105	24.71%	Hold	50	47.62%
Sell	91	21.41%	Sell	29	31.87%

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

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	1869	53.01%	Buy	1030	55.11%
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Sell	830	23.54%	Sell	389	46.87%

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Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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