

Beyond Inc

Mgmt. sets targets & tone for turnaround but progress required for higher valuation

Reiterate Rating: NEUTRAL | PO: 29.00 USD | Price: 26.44 USD

Mixed Q: rev beat on order growth but EBITDA misses

Reported rev/EBITDA of \$384mn/-/\$49mn vs. Street at \$348mn/-/\$34mn, with sales beat driven by 35% YoY order growth (+33ppts vs. 3Q) while AOVs declined 30% YoY from lower-ticket mix. GM contracted 650bps YoY to 15.6%, with 400bps of pressure from promos, and was 3ppts lower QoQ. GAAP OPEX of \$125mn was driven largely from a 55% YoY increase in S&M while customers grew only 9%, though marked the first time trends inflected positively since 4Q'21. EBITDA margin of -12.7% declined 6ppts from 3Q and was 3ppts below Street projecting relatively flat QoQ gross margins.

Rev targets surpass ests; reit. return to profitability in 2H

Mgmt. announced new sales targets of \$2bn in '24 (28% YoY) and \$3bn in run rate by YE'25. An 8-K outlining executive compensation has sales targets of \$2.7bn for FY'25 and \$3.4bn for '26. Targets assume Beyond reaches 10mn customers (6mn now), \$250 AOV (\$151 in 4Q), and 2x annual order frequency (1.49x in '23). The faster-than-expected relaunch of Overstock by qtr-end is anticipated to be a meaningful drive revs as mix moves back to higher-ticket items and Beyond reengages legacy customers. Mgmt. identified \$20mn in add'l cost cuts that will be invested "exclusively" for growth. A more variable cost base should drive gross margins back to the 20%+ range and S&M is expected to decline as a % of revenue by 50-100bps per year to 11%. For 1Q, mgmt. guides revenue to be positive YoY and GM of 16-17%. See pg. 4 for estimate changes.

Need to see improvement to justify valuation; Neutral

We are incrementally more positive on BYON following earnings. 4Q missed on EBITDA, but guide maintains rev growth in 1Q and factors a return to profitability in 2H (both inline with our expectations, though mgmt.'s \$2bn rev guide is above our \$1.7bn est). The call also marked a significant tone shift in terms of: 1) accel'ing sales through customer & brand segmentation improvements (incl. the relaunch of Overstock), new product launches, and an upgrade to CRM/marketing tools; 2) focus on cost efficiencies; and 3) aligning exec. comp with shareholders through sales and share price targets. That said, Beyond is still in flux (albeit on firmer ground vs. last year) with some degree of improvement already priced into shares. At the mdpt of mgmt.'s \$2.7bn '25 sales target and prior Street at \$1.9bn, at a 3% EBITDA margin, BYON's current share price implies a 2025 EV/EBITDA multiple of 14x. We reiterate Neutral but raise PO to \$29 (from \$27) on potential rev upside relative to mgmt. targets and a 16x EV/EBITDA (14x prior).

Estimates (Dec) (US\$)	2021A	2022A	2023E	2024E	2025E
EPS	2.24	0.62	(3.21)	(1.43)	0.39
GAAP EPS	3.96	0.64	(3.27)	(1.43)	0.39
EPS Change (YoY)	82.1%	-72.3%	NM	55.5%	NM
Consensus EPS (Bloomberg)			(1.62)	(1.81)	(0.38)
DPS	0	0	0	0	0
Valuation (Dec)					
P/E	11.8x	42.6x	NM	NM	67.8x
GAAP P/E	6.7x	41.3x	NM	NM	67.8x
EV / EBITDA*	6.1x	14.9x	NM	NM	15.0x
Free Cash Flow Yield*	5.6%	-2.3%	-3.2%	-0.1%	5.9%

* For full definitions of *IQmethod*SM measures, see page 6.

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21 February 2024

Equity

Key Changes

(US\$)	Previous	Current
Price Obj.	27.00	29.00
2023E Rev (m)	1,527.8	1,561.1
2024E Rev (m)	1,727.8	1,747.6
2025E Rev (m)	1,958.7	2,132.1
2023E EPS	-1.12	-3.21
2024E EPS	-1.17	-1.43
2025E EPS	0.30	0.39

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Stock Data

Price	26.44 USD
Price Objective	29.00 USD
Date Established	21-Feb-2024
Investment Opinion	C-2-9
52-Week Range	13.71 USD - 39.27 USD
Mkrt Val (mn) / Shares Out (mn)	1,198 USD / 45.3
Free Float	98.0%
Average Daily Value (mn)	28.35 USD
BofA Ticker / Exchange	BYON / NAS
Bloomberg / Reuters	BYON US / BYON.N
ROE (2023E)	-28.8%
Net Dbt to Eqty (Dec-2022A)	-52.2%
ESGMeter TM	Medium

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"](#).

AOV: Average Order Value

GM: Gross Margin

S&M: Sales & Marketing

OPEX: Operating Expense

CRM: Customer Relationship

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iQprofileSM Beyond Inc

iQmethodSM – Bus Performance*

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Return on Capital Employed	13.8%	3.3%	-17.5%	-18.2%	5.9%
Return on Equity	15.5%	3.6%	-28.8%	-20.9%	7.0%
Operating Margin	4.0%	1.4%	-7.6%	-5.3%	0.7%
Free Cash Flow	67	(27)	(38)	(1)	71

iQmethodSM – Quality of Earnings*

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Cash Realization Ratio	0.8x	-0.5x	NM	NM	5.7x
Asset Replacement Ratio	0.7x	0.9x	1.0x	1.1x	1.1x
Tax Rate	NM	4.6%	NM	22.0%	22.0%
Net Debt-to-Equity Ratio	-53.0%	-52.2%	-74.7%	-76.5%	-82.2%
Interest Cover	NM	NA	NA	NA	NA

Income Statement Data (Dec)

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Sales	2,756	1,929	1,561	1,748	2,132
% Change	8.1%	-30.0%	-19.1%	11.9%	22.0%
Gross Profit	624	443	314	341	480
% Change	7.6%	-28.9%	-29.2%	8.7%	40.5%
EBITDA	153	63	(61)	(46)	62
% Change	61.4%	-58.9%	NM	24.4%	NM
Net Interest & Other Income	12	3	12	10	6
Net Income (Adjusted)	97	27	(145)	(64)	16
% Change	90.6%	-71.8%	NM	55.8%	NM

Free Cash Flow Data (Dec)

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Net Income from Cont Operations (GAAP)	172	29	(148)	(64)	16
Depreciation & Amortization	19	17	19	19	20
Change in Working Capital	(44)	(80)	41	34	24
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	(66)	23	68	32	32
Capital Expenditure	(14)	(15)	(19)	(22)	(22)
Free Cash Flow	67	-27	-38	-1	71
% Change	-62.0%	NM	-37.7%	96.2%	NM
Share / Issue Repurchase	0	(80)	0	(70)	(90)
Cost of Dividends Paid	0	0	0	0	0
Change in Debt	(3)	(3)	(4)	0	0

Balance Sheet Data (Dec)

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Cash & Equivalents	503	371	303	229	208
Trade Receivables	21	18	19	23	27
Other Current Assets	27	26	28	24	25
Property, Plant & Equipment	109	110	82	85	87
Other Non-Current Assets	558	354	204	204	204
Total Assets	1,219	879	636	565	550
Short-Term Debt	0	0	0	0	0
Other Current Liabilities	272	191	232	266	295
Long-Term Debt	38	34	34	34	34
Other Non-Current Liabilities	22	3	9	9	9
Total Liabilities	341	233	277	310	339
Total Equity	879	646	359	255	211
Total Equity & Liabilities	1,219	879	636	565	550

* For full definitions of iQmethodSM measures, see page 6.

Company Sector

Internet/e-Commerce

Company Description

Overstock is a leading pure-play, online retailer in US home furnishings behind only Wayfair. The company has over 3,000 suppliers. 100% of sales are attributable to the US home furnishings segment and the company has a small presence in Canada. OSTK acquired Bed Bath assets in 2023 and has majority ownership of a blockchain investment fund which was converted into a limited partnership in early 2021. OSTK was founded in 1999 and is headquartered outside Salt Lake City, Utah.

Investment Rationale

Under the current management team, OSTK has exited unprofitable retail categories, deconsolidated a resource-intensive blockchain business and turned its focus solely on profitably growing the core furnishings segment. We believe that this puts OSTK on a path for more sustainable margins and the recent Bed Bath & Beyond acquisition could present an opportunity for elevated share gains. However, we see some risk for revenue retention and believe gains are largely priced into share ..

Stock Data

Average Daily Volume 1,072,355

Quarterly Earnings Estimates

	2022	2023
Q1	0.21A	-0.10A
Q2	0.19A	-0.02A
Q3	0.22A	-0.39A
Q4	0A	-2.69E

Actuals vs. Estimates

Exhibit 1: Actuals vs. Estimates

4Q23 revenue came in 9.5% above our estimates, however EBITDA of -\$49mn was well below Street at -\$34mn.

Overstock ('\$000 except per share data)	4Q22	4Q23	Y/Y change	BofA 4Q23E	Street 4Q23
Total Revenue	\$404,896	\$384,458	-5.0%	\$351,113	\$347,948
Cost of revenue	315,302	324,487	2.9%	286,157	285,489
Gross Profit	89,594	59,971	-33.1%	64,956	62,459
Total sales & marketing	45,498	70,495	54.9%	52,667	57,321
General & administrative	15,924	21,254	33.5%	18,258	20,330
SBC	4,928	5,795	17.6%	5,795	3,481
Total Operating Expenses	92,241	124,533	35.0%	102,806	107,537
GAAP Operating Income	(2,647)	(64,562)	NM	(37,850)	(45,078)
Net int income (exp)	1,999	3,188	59.5%	2,800	
Other expenses	(15,447)	(33,231)	115.1%	0	
Pretax Income	(16,095)	(94,605)	487.8%	(35,050)	(43,000)
Income Tax Expense (Benefit)	(584)	66,388	(115)	(7,711)	
GAAP Net Income (Loss)	(15,511)	(160,993)	937.9%	(27,339)	(34,890)
Non-GAAP EPS	(\$0.00)	(\$2.69)	NM	(\$0.61)	(\$0.74)
Average shares - diluted	45,420	45,360	-0.1%	44,825	45,166
EBITDA Adjustments					
Net income (loss)	(15,511)	(160,993)	937.9%	(27,339)	(34,890)
Depreciation & amortization	4,226	4,626	9.5%	4,750	
Stock based compensation	4,928	5,155	4.6%	6,250	
Interest Income	(1,999)	(3,188)	59.5%	(2,800)	
Other	15,447	39,000	152.5%	0	
Taxes	(584)	66,388	NM	(7,711)	
EBITDA	6,507	(49,012)	NM	(26,850)	(34,481)
EBITDA Margin	1.6%	-12.7%	-1436 bp	-7.6%	-9.9%
Margin analysis					
Gross Margin	22.1%	15.6%	-653 bp	18.5%	18.0%
As a % of revenue:					
Advertising	10.7%	14.7%	403 bp	14.4%	
Other sales & marketing	0.5%	3.6%	307 bp	0.6%	
Total sales & marketing	11.2%	18.3%	710 bp	15.0%	
General & administrative	3.9%	5.5%	160 bp	5.2%	
D&A	0.0%	0.0%	0 bp	0.0%	
SBC	1.2%	1.3%	12 bp	1.8%	
OPEX	22.8%	32.4%	961 bp	29.3%	30.9%
Operating margin	-0.7%	-16.8%	-1614 bp	-10.8%	-13.0%
Tax Rate	4%	-70%	-7380 bp	22%	
Operating Metrics	4Q22	4Q23	Y/Y change	4Q23	Street 4Q23
Active Customers	5,162	5,612	450	5,301	5,239
Y/Y Growth	-36%	9%	4479 bp	3%	1%
Customer additions q/q	(629)	705	1,334	394	332
Orders Delivered	2,428	2,549	121	2,067	2,140
Y/Y Growth	-33%	35%	6815 bp	10%	-12%
Average Order Value (AOV)	\$221	\$151	(70)	\$170	\$164
Y/Y Growth	21%	-30%	-5061 bp	-21%	-26%

Source: Company reports, Visible Alpha, BofA Global Research estimates

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Estimate Changes

Exhibit 2: Changes to BYON estimates

Our 2024E revenue projection of \$1.75bn is below BYON's target of \$2.0bn

Beyond ('\$000 except per share data)	1Q24E			2024E			2025E			2026E		
	New	Old	Change	New	Old	Change	New	Old	Change	New	Old	Change
Total Revenue	389,423	375,301	14,122	1,747,595	1,727,828	19,767	2,132,085	1,958,655	173,430	2,396,771	2,054,933	341,838
Y/Y	2%	-2%	4%	12%	13%	-1%	22%	13%	9%	12%	5%	7%
Q/Q	1%	7%	-6%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Cost of revenue	323,221	307,747	15,475	1,406,192	1,377,783	28,409	1,652,366	1,519,917	132,450	1,857,497	1,586,408	271,089
As a % of revenue	83.0%	82.0%	1.0%	80.5%	79.7%	0.7%	77.5%	77.6%	-0.1%	77.5%	77.2%	0.3%
Gross Profit	66,202	67,554	(1,352)	341,403	350,045	(8,642)	479,719	438,739	40,980	539,273	468,525	70,749
Gross Margin	17.0%	18.0%	-1.0%	19.5%	20.3%	-0.7%	22.5%	22.4%	0.1%	22.5%	22.8%	-0.3%
Total Sales & Marketing	60,361	56,670	3,690	240,805	230,914	9,890	275,039	232,101	42,938	292,406	240,427	51,979
As a % of revenue	15.5%	15.1%	0.4%	13.8%	13.4%	0.4%	12.9%	11.9%	1.1%	12.2%	11.7%	0.5%
Ops, Tech and G&A	17,524	18,014	(490)	70,296	71,528	(1,232)	68,893	72,960	(4,067)	73,102	73,978	(876)
As a % of revenue	4.5%	4.8%	-0.3%	4.0%	4.1%	-0.1%	3.2%	3.7%	-0.5%	3.1%	3.6%	-0.6%
Amortization of Intangibles	0	0	0	0	0	0	0	0	0	0	0	0
As a % of revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SBC	6,750	6,750	0	27,000	27,000	0	27,500	27,500	0	29,500	29,500	0
As a % of revenue	1.7%	1.8%	-0.1%	1.5%	1.6%	0.0%	1.3%	1.4%	-0.1%	1.2%	1.4%	-0.2%
Total Operating Expenses	108,974	105,829	3,144	433,768	423,581	10,187	464,811	429,514	35,297	495,672	446,651	49,021
As a % of revenue	28.0%	28.2%	-0.2%	24.8%	24.5%	0.3%	21.8%	21.9%	-0.1%	20.7%	21.7%	-1.1%
Oper. Income - GAAP	(42,772)	(38,275)	(4,496)	(92,365)	(73,536)	(18,829)	14,908	9,225	5,683	43,602	21,873	21,728
Margin	-11.0%	-10.2%	-0.8%	-5.3%	-4.3%	-1.0%	0.7%	0.5%	0.2%	1.8%	1.1%	0.8%
Earnings Before Tax	(40,022)	(36,775)	(3,246)	(82,115)	(67,536)	(14,579)	20,908	15,225	5,683	49,602	27,873	21,728
Income Tax Expense (Benefit)	(8,805)	(8,091)	(714)	(18,065)	(14,858)	(3,207)	4,600	3,349	1,250	10,912	6,132	4,780
Tax Rate	22%	22%	0%	22%	22%	0%	22%	22%	0%	22%	22%	0%
GAAP Net Income (Loss)	(31,217)	(28,685)	(2,532)	(64,050)	(52,678)	(11,372)	16,308	11,875	4,433	38,689	21,741	16,948
GAAP EPS	(\$0.69)	(\$0.66)	(\$0.03)	(\$1.43)	(\$1.23)	(\$0.20)	\$0.39	\$0.30	\$0.09	\$1.00	\$0.59	\$0.41
Net Loss	(31,217)	(28,685)	(2,532)	(64,050)	(52,678)	(11,372)	16,308	11,875	4,433	38,689	21,741	16,948
Stock based compensation	6,750	6,750	0	27,000	27,000	0	27,500	27,500	0	29,500	29,500	0
% of revenue	2%	2%	0%	2%	2%	0%	1%	1%	0%	1%	1%	0%
Depreciation & Amortization	4,750	5,250	(500)	19,000	21,000	(2,000)	20,000	25,000	(5,000)	22,000	29,000	(7,000)
% of revenue	1%	1%	0%	1%	1%	0%	1%	1%	0%	1%	1%	0%
Interest Income	(2,559)	(2,559)	0	(10,250)	(6,000)	(4,250)	(6,000)	(6,000)	0	(6,000)	(6,000)	0
EBITDA	(31,081)	(19,945)	(11,135)	(46,365)	(25,536)	(20,829)	62,408	61,725	683	95,102	80,373	14,728
EBITDA Margin	-8.0%	-5.3%	-2.7%	-2.7%	-1.5%	-1.2%	2.9%	3.2%	-0.2%	4.0%	3.9%	0.1%
Operating Metrics												
Orders Delivered	2,397	2,085	312	10,071	9,156	915	11,221	10,393	828	12,002	10,690	1,312
Y/Y Growth	38%	20%	18.0%	25%	21%	4.1%	11%	14%	-2.1%	7%	3%	4.1%
AOV	\$162.47	\$180.03	(18)	\$173.47	\$188.45	(15)	\$190.19	\$188.45	2	\$199.70	\$192.22	7
Y/Y Growth	-26%	-18%	-8.0%	-13%	-8%	-5.3%	10%	0%	9.6%	5%	2%	3.0%
Active Customers	5,802	5,500	302	6,314	6,256	58	6,724	6,615	109	6,993	6,748	245
Y/Y Growth	21%	15%	6.3%	13%	18%	-5.5%	6%	6%	0.7%	4%	2%	2.0%

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Price objective basis & risk

Beyond Inc (BYON)

Our \$29 PO is based on 16x 2025E EV/EBITDA, which is a discount to a eCommerce peers. 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.

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
	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
	Expedia	EXPE	EXPE US	Justin Post
	Instacart	CART	CART US	Justin Post



US - Internet Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Magnite, Inc.	MGNI	MGNI 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
	Playtika	PLTK	PLTK US	Omar Dessouky, CFA
	Redfin Corp	RDFN	RDFN US	Curtis Nagle, CFA
	Shutterstock	SSTK	SSTK US	Curtis Nagle, CFA

iQmethodSM Measures Definitions**Business Performance**

Return On Capital Employed

Return On Equity
Operating Margin
Earnings Growth
Free Cash Flow

Quality of Earnings

Cash Realization Ratio
Asset Replacement Ratio
Tax Rate
Net Debt-To-Equity Ratio
Interest Cover

Valuation Toolkit

Price / Earnings Ratio
Price / Book Value
Dividend Yield
Free Cash Flow Yield
Enterprise Value / Sales

EV / EBITDA

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

Numerator

Cash Flow From Operations
Capex
Tax Charge
Net Debt = Total Debt – Cash & Equivalents
EBIT

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

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill
Amortization
Shareholders' Equity
Sales
N/A
N/A

Denominator

Net Income
Depreciation
Pre-Tax Income
Total Equity
Interest Expense

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

Basic EBIT + Depreciation + Amortization

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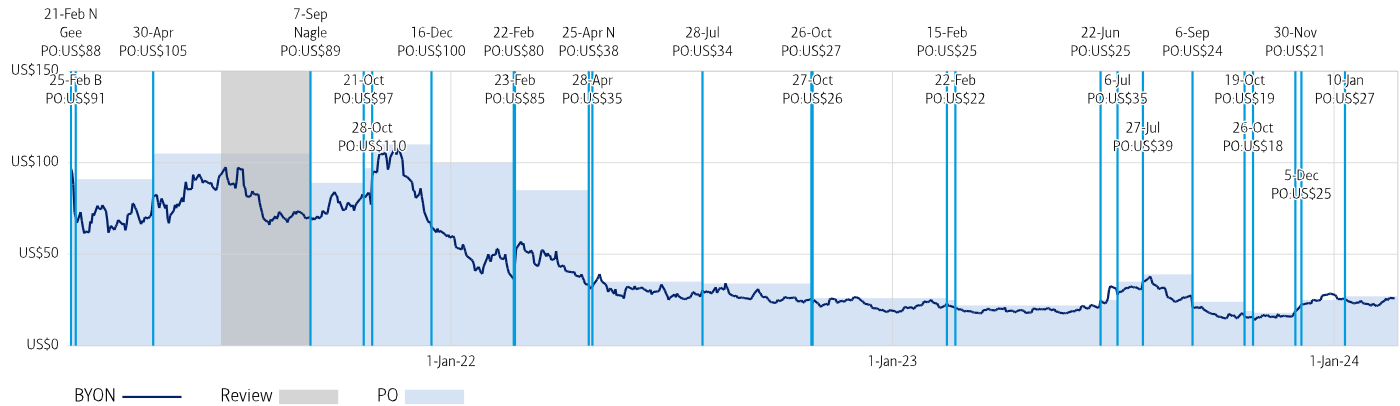
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Beyond Inc (BYON) Price Chart



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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: 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%

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