

## Brazil Education

# Medicine regulation: this week's decision in Supreme Court could be disruptive

Industry Overview

## Decision could ban (or not) +30k med seats via injunctions

Supreme Court restarts today the trial to decide over the authorization of new medicine seats through injunctions (see Exhibit 22 in Education YA report, Jan 19). We estimate that candidates per seat could go down to 4 (vs. 9 now) if the 30k seats through injunctions are allowed. Looking at historical tickets, we believe that this potential extra opening could cause a drop of 25-30% on tuitions, significantly more than the estimated impact from "Mais Médicos 3" openings (c.10% drop). Our base case is that if the Court decides that injunctions must be analyzed by the MEC, it could still try to adopt more restricted rules on their evaluation in order to contain a major increase in supply outside Mais Médicos. So far, the MEC has been quite vocal on its focus towards quality over quantity.

## Impact on ticket seems controlled under Mais Médicos 3

In 2023 the government announced the 3<sup>rd</sup> Mais Médicos (MM) auction offering 5.7k seats. Additionally, it also plans to allow another 2k seats for expansion of existing courses, totaling an overall expansion of 7.7k till 2030Y. We estimate that these openings could drag candidates per seat ratio down to 7 by 2030Y, which could pressure tickets down by 10%. We believe there's upside to these numbers considering that the pulverized offer of seats across the states provides some price protection (see Exhibit 1).

## But injunctions could cause an offer overflow

We estimate that the opening of an additional 30k seats on top of MM could negatively impact tickets by 25%. According to our recent talks with authorities (see: [Event with CNE](#)), if approved by the Ministry, these seats could start operating by 2025Y. In our view, these would cause an overflow in the market as the expansion planned through MM already seems enough to bring doctor per 1k hab. ratio above OECD average of 3.2 in all states by 2040Y (see Exhibit 2). Thus, in our view, despite Court's decision, the MEC will likely seek to adopt strict parameters to limit or delay most of new openings.

## Declining candidate/seat: all is not lost

While the drop in candidate per seat ratio could be a disruptor on sector's ticket, we understand this is not the only factor impacting them. If candidates/seat drop to 4 by 2030Y (MM + 30k from injunctions) it would still be above most courses (see Exhibit 7) – as of 2022, psychology has the second highest ratio at 2.6 candidates/seat. Also, our estimates do not factor in impacts from social recognition of the course, regional competition, and disposable income for education through the years.

## 7 votes remaining – 2 more against injunctions are enough

The Court will be voting on 2 matters: i) legal validity of Mais Médicos, ii) if injunctions should be analyzed by the MEC. According to Court's public data, 4 judges have voted and 7 have yet to vote. All 4 agreed on the validity of Mais Médicos, and 2 were against injunctions. For injunctions to be banned, 2 more judges need to vote against it.

09 February 2024

Equity  
Latin America  
Education and Training

**Fred Mendes, CFA** >>  
Research Analyst  
Merrill Lynch (Brazil)  
+55 11 2188 4119  
[fred.mendes@bofa.com](mailto:fred.mendes@bofa.com)

**Mirela Oliveira** >>  
Research Analyst  
Merrill Lynch (Brazil)  
[mirela.oliveira@bofa.com](mailto:mirela.oliveira@bofa.com)

**Gustavo Tiseo** >>  
Research Analyst  
Merrill Lynch (Brazil)  
[gustavo.tiseo@bofa.com](mailto:gustavo.tiseo@bofa.com)

**Lucca R Brendim** >>  
Research Analyst  
Merrill Lynch (Brazil)  
[lucca.brendim@bofa.com](mailto:lucca.brendim@bofa.com)

Mais Médicos = public auction that defines how many and where new medicine courses shall be opened

MEC – Ministry of Education

>> Employed by a non-US affiliate of BofAS and is not registered/qualified as a research analyst under the FINRA rules.

Refer to "Other Important Disclosures" for information on certain BofA Securities entities that take responsibility for the information herein in particular jurisdictions.

**BofA Securities does and seeks to do business with issuers covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.**

**Refer to important disclosures on page 5 to 7. Analyst Certification on page 4.** 12657815

Timestamp: 09 February 2024 05:13AM EST

**Exhibit 1: If Mais Médicos is the only expansion allowed, we see candidate per seat above 7 in at least 14 states by 2040Y. States located in the countryside should become more competitive**

Estimated candidate per seats till 2040Y

State	Candidate per seats				
	Current (2022)	2026	2030	2035	2040
Acre	0.9	2.5	2.3	2.3	2.2
Alagoas	7.9	5.2	4.3	4.3	4.0
Amazonas	2.1	1.7	1.7	1.7	1.7
Amapá	-	26.5	26.3	26.3	26.3
Bahia	8.5	4.2	3.5	3.5	3.3
Ceará	29.3	7.5	6.4	6.4	6.3
Distrito Federal	5.5	16.8	14.9	14.9	14.6
Espírito Santo	12.3	12.7	11.9	11.9	12.2
Goiás	13.8	10.8	10.5	10.5	10.8
Maranhão	13.2	2.1	1.8	1.8	1.7
Minas Gerais	8.4	10.3	8.7	8.7	8.6
Mato Grosso do Sul	2.4	3.0	2.9	2.9	3.0
Mato Grosso	12.0	7.1	6.8	6.8	7.0
Pará	8.9	3.0	2.7	2.7	2.6
Paraíba	5.5	9.0	7.6	7.6	7.4
Pernambuco	7.0	3.2	2.8	2.8	2.7
Piauí	9.1	2.0	1.6	1.6	1.5
Paraná	5.7	10.1	9.1	9.1	9.2
Rio de Janeiro	9.8	8.0	7.1	7.1	7.2
Rio Grande do Norte	3.4	5.1	4.5	4.5	4.3
Rondônia	3.4	3.3	2.9	2.9	2.9
Roraima	-	18.2	18.0	18.0	19.1
Rio Grande do Sul	16.7	14.5	12.5	12.5	12.5
Santa Catarina	13.0	9.7	9.1	9.1	9.5
Sergipe	1.2	3.9	3.4	3.4	3.4
São Paulo	9.3	7.7	7.1	7.1	7.1
Tocantins	13.6	12.4	11.1	11.1	10.9
Brazil – w/ MM expansion	9.4	7.5	6.9	6.7	6.6
If injunctions are approved	9.4	4.3	4.0	3.9	3.9

Source: BofA Global Research, INEP, IBGE

BofA GLOBAL RESEARCH

**Exhibit 2: Considering only expansion through Mais Médicos, we see only 1 state – Amapá – with doctor per 1k habitant's ratio below OECD average of 3.2 by 2040Y. Thus, this expansion should already be enough to meet Ministry's goal**

Doctor per 1k habitants per state (including public universities seats expansion of 2k)

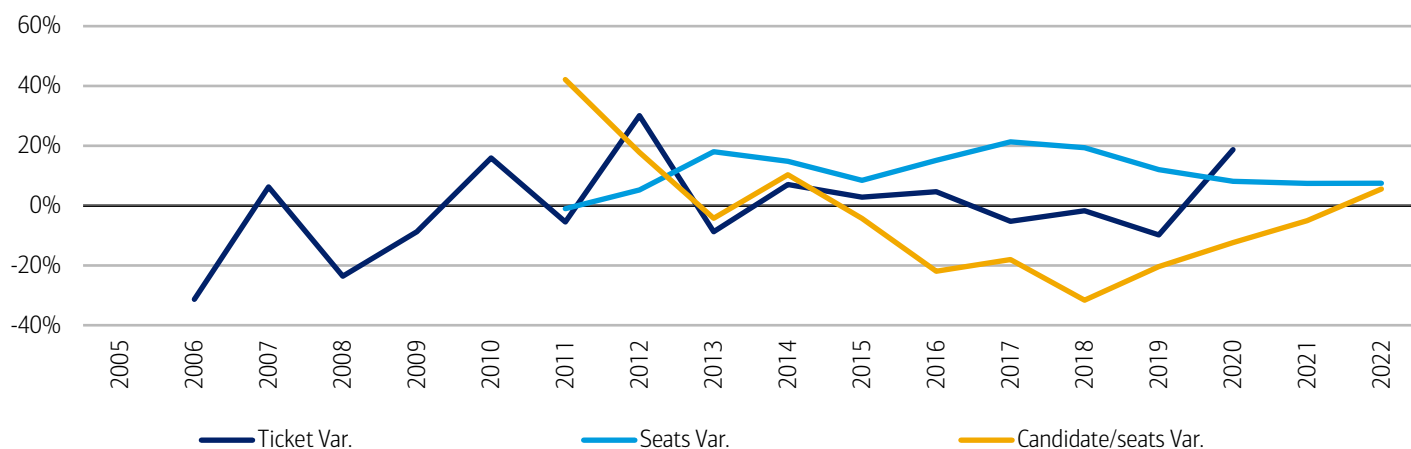
Total	2024	2026	2030	2035	2040
Acre	1.8	2.1	2.7	3.5	4.3
Alagoas	2.2	2.5	3.0	3.8	4.6
Amazonas	1.6	1.9	2.6	3.5	4.4
Amapá	1.5	1.5	1.5	1.6	1.7
Bahia	2.2	2.5	3.2	4.3	5.4
Ceará	2.2	2.4	2.9	3.6	4.4
Distrito Federal	6.1	6.3	6.7	7.3	7.8
Espírito Santo	3.5	3.8	4.7	5.9	7.1
Goiás	3.1	3.5	4.1	4.9	5.7
Maranhão	1.4	1.6	2.0	2.9	3.7
Minas Gerais	3.5	3.8	4.6	5.6	6.7
Mato Grosso do Sul	3.1	3.3	4.0	5.0	5.9
Mato Grosso	2.6	2.8	3.4	4.2	4.9
Pará	1.4	1.6	1.9	2.6	3.3
Paraíba	2.9	3.3	4.1	5.1	6.2
Pernambuco	2.6	2.9	3.5	4.4	5.4
Piauí	2.3	2.8	3.8	5.4	7.0
Paraná	3.3	3.6	4.2	5.0	5.8
Rio de Janeiro	4.3	4.7	5.3	6.0	6.9
Rio Grande do Norte	2.5	2.8	3.3	4.1	4.9
Rondônia	2.6	3.1	4.5	6.3	8.1
Roraima	2.0	2.3	2.7	3.7	4.5
Rio Grande do Sul	3.5	3.8	4.3	5.0	5.8
Santa Catarina	3.6	3.9	4.5	5.2	5.9
Sergipe	2.6	2.7	3.1	3.6	4.2
São Paulo	4.0	4.4	5.1	5.9	6.8
Tocantins	3.0	3.9	5.0	6.5	8.0
Brazil	3.2	3.5	4.1	5.0	5.9

Source: BofA Global Research, INEP, IBGE, CFM

BofA GLOBAL RESEARCH

**Exhibit 3: A drop on candidate per seat on average leads to a decline in tickets, however in a smaller magnitude**

Variation of medicine ticket, candidate per seat and medicine seats since 2005

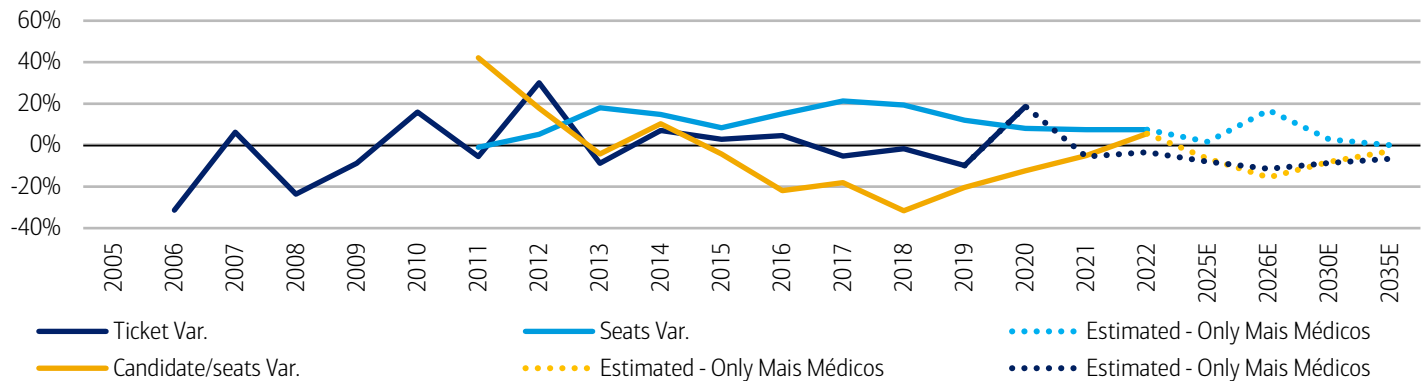


Source: BofA Global Research, INEP, IBGE

BofA GLOBAL RESEARCH

**Exhibit 4: Considering a seat expansion of 5.7k seats through Mais Médicos, we see a potential decline on tickets of c.10% in 2026Y**

Estimated variation of ticket, seats and candidate per seat considering only Mais Médicos seats expansion

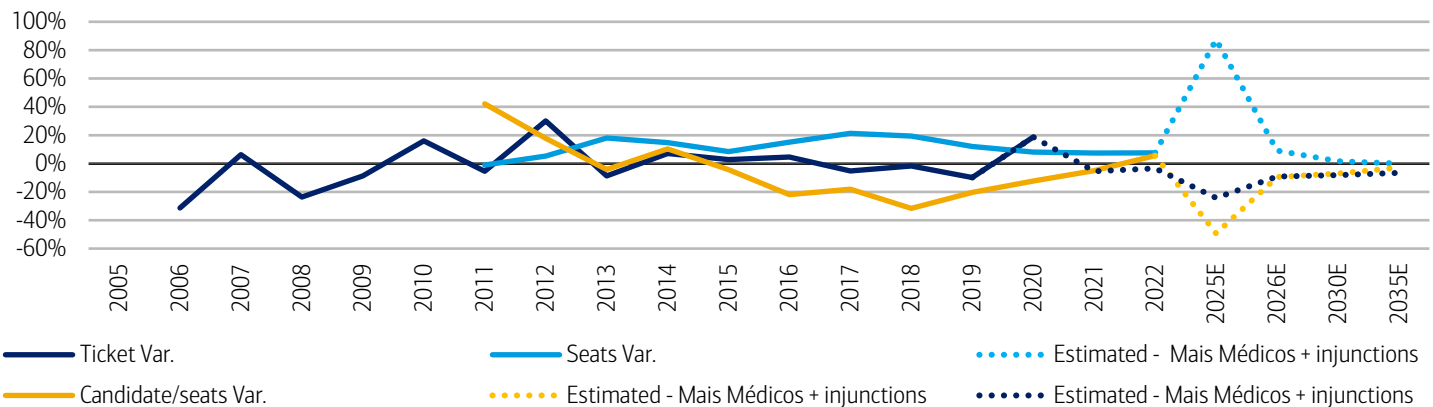


Source: BofA Global Research, INEP, IBGE

BofA GLOBAL RESEARCH

**Exhibit 5: Considering a seat expansion of 30k seats through injunctions, we see a potential decline on tickets of c.25% by 2025 (when these seats would allegedly hit the market). This should be followed by another 8% drop by 2026Y when Mais Médicos seats start to operate**

Estimated variation of ticket, seats and candidate per seat considering Mais Médicos seats expansion + 30k from injunctions

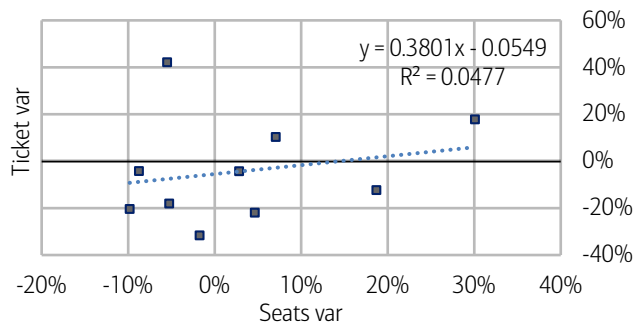


Source: BofA Global Research, INEP, IBGE

BofA GLOBAL RESEARCH

**Exhibit 6: Ticket variation are positively correlated to seats**

Correlation of seats variation and ticket variation



Source: BofA Global Research, INEP, IBGE

BofA GLOBAL RESEARCH

**Exhibit 7: Psychology has the second highest ratio at 2.6**

Top 10 courses/study areas by candidate per seat ratio

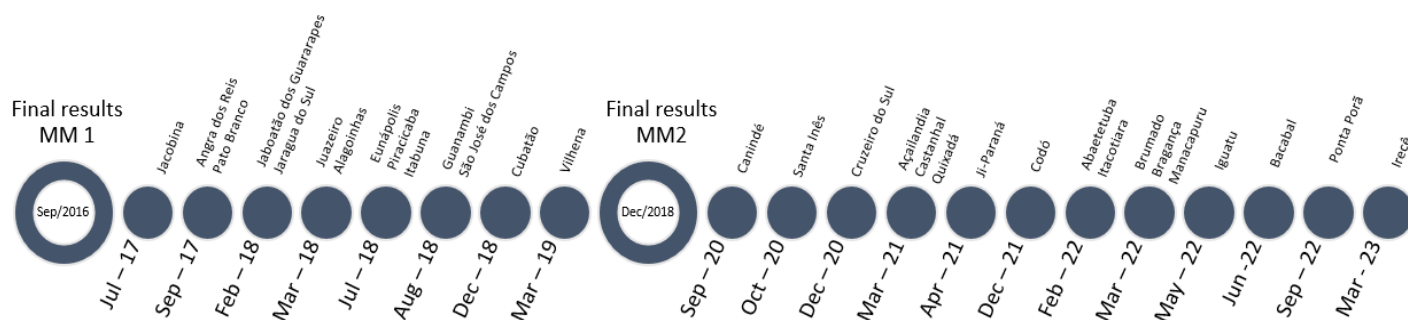
	Candidate per seat
Medicine	9.4
Psychology	2.6
Odontology	2.4
Veterinary Medicine	2.3
Nursing	2.0
Pedagogy	1.8
Music and arts	1.7
Law	1.5
Architecture	1.2
Statistics	1.1

Source: BofA Global Research, INEP

BofA GLOBAL RESEARCH

**Exhibit 8: In our estimates we consider the number of Mais Médicos seats being released in the market by 2026Y, which would then concentrate the negative impact on tickets. However, looking at previous Mais Médicos auctions we see that these openings should occur more gradually than estimated. For MM first auction, the first course from listed players was inaugurated 9 months after final results and the last one 2.5 years after results. For MM second auction, the first one among listed players was inaugurated 2 years after final results, while the latest one started in March/2023, 4.5 years later**

Timeline to start operations from listed players' courses from Mais Médicos



Source: BofA Global Research

BofA GLOBAL RESEARCH

## Analyst Certification

We, Fred Mendes, CFA, Gustavo Tiseo, Lucca R Brendim and Mirela Oliveira, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

# Disclosures

## Important Disclosures

**FUNDAMENTAL EQUITY OPINION KEY:** Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. **INVESTMENT RATINGS** reflect the analyst's assessment of both a stock's absolute total return potential as well as its attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). Our investment ratings are: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. An investment rating of 6 (No Rating) indicates that a stock is no longer trading on the basis of fundamentals. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster <sup>R1</sup>
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

<sup>R1</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.

**INCOME RATINGS**, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure), 8 - same/lower (dividend not considered to be secure) and 9 - pays no cash dividend. *Coverage Cluster* is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent BofA Global Research report referencing the stock.

BofA Global Research personnel (including the analyst(s) responsible for this report) receive compensation based upon, among other factors, the overall profitability of Bank of America Corporation, including profits derived from investment banking. The analyst(s) responsible for this report may also receive compensation based upon, among other factors, the overall profitability of the Bank's sales and trading businesses relating to the class of securities or financial instruments for which such analyst is responsible.

## Other Important Disclosures

From time to time research analysts conduct site visits of covered issuers. BofA Global Research policies prohibit research analysts from accepting payment or reimbursement for travel expenses from the issuer for such visits.

Prices are indicative and for information purposes only. Except as otherwise stated in the report, for any recommendation in relation to an equity security, the price referenced is the publicly traded price of the security as of close of business on the day prior to the date of the report or, if the report is published during intraday trading, the price referenced is indicative of the traded price as of the date and time of the report and in relation to a debt security (including equity preferred and CDS), prices are indicative as of the date and time of the report and are from various sources including BofA Securities trading desks.

The date and time of completion of the production of any recommendation in this report shall be the date and time of dissemination of this report as recorded in the report timestamp.

Recipients who are not institutional investors or market professionals should seek the advice of their independent financial advisor before considering information in this report in connection with any investment decision, or for a necessary explanation of its contents.

Officers of BofAS or one or more of its affiliates (other than research analysts) may have a financial interest in securities of the issuer(s) or in related investments.

Refer to [BofA Global Research policies relating to conflicts of interest](#).

**"BofA Securities" includes BofA Securities, Inc. ("BofAS") and its affiliates. Investors should contact their BofA Securities representative or Merrill Global Wealth Management financial advisor if they have questions concerning this report or concerning the appropriateness of any investment idea described herein for such investor. "BofA Securities" is a global brand for BofA Global Research.**

**Information relating to Non-US affiliates of BofA Securities and Distribution of Affiliate Research Reports:**

BofAS and/or Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") may in the future distribute, information of the following non-US affiliates in the US (short name: legal name, regulator): Merrill Lynch (South Africa): Merrill Lynch South Africa (Pty) Ltd., regulated by The Financial Service Board; MLI (UK): Merrill Lynch International, regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA); BofASE (France): BofA Securities Europe SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers (AMF). BofA Securities Europe SA ("BofASE") with registered address at 51, rue La Boétie, 75008 Paris is registered under no 842 602 690 RCS Paris. In accordance with the provisions of French Code Monétaire et Financier (Monetary and Financial Code), BofASE is an établissement de crédit et d'investissement (credit and investment institution) that is authorised and supervised by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers. BofASE's share capital can be found at [www.bofamli.com/BofASEdisclaimer](http://www.bofamli.com/BofASEdisclaimer); BofA Europe (Milan): Bank of America Europe Designated Activity Company, Milan Branch, regulated by the Bank of Italy, the European Central Bank (ECB) and the Central Bank of Ireland (CBI); BofA Europe (Frankfurt): Bank of America Europe Designated Activity Company, Frankfurt Branch regulated by BaFin, the ECB and the CBI; BofA Europe (Madrid): Bank of America Europe Designated Activity Company, Sucursal en España, regulated by the Bank of Spain, the ECB and the CBI; Merrill Lynch (Australia): Merrill Lynch Equities (Australia) Limited, regulated by the Australian Securities and Investments Commission; Merrill Lynch (Hong Kong): Merrill Lynch (Asia Pacific) Limited, regulated by the Hong Kong Securities and Futures Commission (HKSF); Merrill Lynch (Singapore): Merrill Lynch (Singapore) Pte Ltd, regulated by the Monetary Authority of Singapore (MAS); Merrill Lynch (Canada): Merrill Lynch Canada Inc, regulated by the Canadian Investment Regulatory Organization; Merrill Lynch (Mexico): Merrill Lynch Mexico, SA de CV, Casa de Bolsa, regulated by the Comisión Nacional Bancaria y de Valores; Merrill Lynch (Argentina): Merrill Lynch Argentina SA, regulated by Comisión Nacional de Valores; BofAS Japan: BofA Securities Japan Co., Ltd., regulated by the Financial Services Agency; Merrill Lynch (Seoul): Merrill Lynch International, LLC Seoul Branch, regulated by the Financial Supervisory Service; Merrill Lynch (Taiwan): Merrill Lynch Securities (Taiwan) Ltd., regulated by the Securities and Futures Bureau; BofAS India: BofA Securities India Limited, regulated by the Securities and Exchange Board of India (SEBI); Merrill Lynch (Israel): Merrill Lynch Israel Limited, regulated by Israel Securities Authority; Merrill Lynch (DIFC): Merrill Lynch International (DIFC Branch), regulated by the Dubai Financial Services Authority (DFSA); Merrill Lynch (Brazil): Merrill Lynch S.A. Corretora de Títulos e Valores Mobiliários, regulated by Comissão de Valores Mobiliários; Merrill Lynch KSA Company: Merrill Lynch Kingdom of Saudi Arabia Company, regulated by the Capital Market Authority.

This information: has been approved for publication and is distributed in the United Kingdom (UK) to professional clients and eligible counterparties (as each is defined in the rules of the FCA and the PRA) by MLI (UK), which is authorized by the PRA and regulated by the FCA and the PRA - details about the extent of our regulation by the FCA and PRA are available from us on request; has been approved for publication and is distributed in the European Economic Area (EEA) by BofASE (France), which is authorized by the ACPR and regulated by the ACPR and the AMF; has been considered and distributed in Japan by BofAS Japan, a registered securities dealer under the Financial Instruments and Exchange Act in Japan, or its permitted affiliates; is issued and distributed in Hong Kong by Merrill Lynch (Hong Kong) which is regulated by HKSF; is issued and distributed in Taiwan by Merrill Lynch (Taiwan); is issued and distributed in India by BofAS India; and is issued and distributed in Singapore to institutional investors and/or accredited investors (each as defined under the Financial Advisers Regulations) by Merrill Lynch (Singapore) (Company Registration No 198602883D). Merrill Lynch (Singapore) is regulated by MAS. Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795), AFS License 235132 (MLEA) distributes



this information in Australia only to 'Wholesale' clients as defined by s.761G of the Corporations Act 2001. With the exception of Bank of America N.A., Australia Branch, neither MLEA nor any of its affiliates involved in preparing this information is an Authorised Deposit-Taking Institution under the Banking Act 1959 nor regulated by the Australian Prudential Regulation Authority. No approval is required for publication or distribution of this information in Brazil and its local distribution is by Merrill Lynch (Brazil) in accordance with applicable regulations. Merrill Lynch (DIFC) is authorized and regulated by the DFSA. Information prepared and issued by Merrill Lynch (DIFC) is done so in accordance with the requirements of the DFSA conduct of business rules. BofA Europe (Frankfurt) distributes this information in Germany and is regulated by BaFin, the ECB and the CBI. BofA Securities entities, including BofA Europe and BofASE (France), may outsource/delegate the marketing and/or provision of certain research services or aspects of research services to other branches or members of the BofA Securities group. You may be contacted by a different BofA Securities entity acting for and on behalf of your service provider where permitted by applicable law. This does not change your service provider. Please refer to the [Electronic Communications Disclaimers](#) for further information.

This information has been prepared and issued by BofAS and/or one or more of its non-US affiliates. The author(s) of this information may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so. BofAS and/or MLPF&S is the distributor of this information in the US and accepts full responsibility for information distributed to BofAS and/or MLPF&S clients in the US by its non-US affiliates. Any US person receiving this information and wishing to effect any transaction in any security discussed herein should do so through BofAS and/or MLPF&S and not such foreign affiliates. Hong Kong recipients of this information should contact Merrill Lynch (Asia Pacific) Limited in respect of any matters relating to dealing in securities or provision of specific advice on securities or any other matters arising from, or in connection with, this information. Singapore recipients of this information should contact Merrill Lynch (Singapore) Pte Ltd in respect of any matters arising from, or in connection with, this information. For clients that are not accredited investors, expert investors or institutional investors Merrill Lynch (Singapore) Pte Ltd accepts full responsibility for the contents of this information distributed to such clients in Singapore.

#### General Investment Related Disclosures:

Taiwan Readers: Neither the information nor any opinion expressed herein constitutes an offer or a solicitation of an offer to transact in any securities or other financial instrument. No part of this report may be used or reproduced or quoted in any manner whatsoever in Taiwan by the press or any other person without the express written consent of BofA Securities. This document provides general information only, and has been prepared for, and is intended for general distribution to, BofA Securities clients. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other financial instrument or any derivative related to such securities or instruments (e.g., options, futures, warrants, and contracts for differences). This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of, and is not directed to, any specific person(s). This document and its content do not constitute, and should not be considered to constitute, investment advice for purposes of ERISA, the US tax code, the Investment Advisers Act or otherwise. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this document.

Securities and other financial instruments referred to herein, or recommended, offered or sold by BofA Securities, are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of any insured depository institution (including, Bank of America, N.A.). Investments in general and, derivatives, in particular, involve numerous risks, including, among others, market risk, counterparty default risk and liquidity risk. No security, financial instrument or derivative is suitable for all investors. Digital assets are extremely speculative, volatile and are largely unregulated. In some cases, securities and other financial instruments may be difficult to value or sell and reliable information about the value or risks related to the security or financial instrument may be difficult to obtain. Investors should note that income from such securities and other financial instruments, if any, may fluctuate and that price or value of such securities and instruments may rise or fall and, in some cases, investors may lose their entire principal investment. Past performance is not necessarily a guide to future performance. Levels and basis for taxation may change.

This report may contain a short-term trading idea or recommendation, which highlights a specific near-term catalyst or event impacting the issuer or the market that is anticipated to have a short-term price impact on the equity securities of the issuer. Short-term trading ideas and recommendations are different from and do not affect a stock's fundamental equity rating, which reflects both a longer term total return expectation and attractiveness for investment relative to other stocks within its Coverage Cluster. Short-term trading ideas and recommendations may be more or less positive than a stock's fundamental equity rating.

BofA Securities is aware that the implementation of the ideas expressed in this report may depend upon an investor's ability to "short" securities or other financial instruments and that such action may be limited by regulations prohibiting or restricting "shortselling" in many jurisdictions. Investors are urged to seek advice regarding the applicability of such regulations prior to executing any short idea contained in this report.

Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned herein. Investors in such securities and instruments, including ADRs, effectively assume currency risk.

BofAS or one of its affiliates is a regular issuer of traded financial instruments linked to securities that may have been recommended in this report. BofAS or one of its affiliates may, at any time, hold a trading position (long or short) in the securities and financial instruments discussed in this report.

BofA Securities, through business units other than BofA Global Research, may have issued and may in the future issue trading ideas or recommendations that are inconsistent with, and reach different conclusions from, the information presented herein. Such ideas or recommendations may reflect different time frames, assumptions, views and analytical methods of the persons who prepared them, and BofA Securities is under no obligation to ensure that such other trading ideas or recommendations are brought to the attention of any recipient of this information.

In the event that the recipient received this information pursuant to a contract between the recipient and BofAS for the provision of research services for a separate fee, and in connection therewith BofAS may be deemed to be acting as an investment adviser, such status relates, if at all, solely to the person with whom BofAS has contracted directly and does not extend beyond the delivery of this report (unless otherwise agreed specifically in writing by BofAS). If such recipient uses the services of BofAS in connection with the sale or purchase of a security referred to herein, BofAS may act as principal for its own account or as agent for another person. BofAS is and continues to act solely as a broker-dealer in connection with the execution of any transactions, including transactions in any securities referred to herein.

#### Copyright and General Information:

Copyright 2024 Bank of America Corporation. All rights reserved. iQdatabase® is a registered service mark of Bank of America Corporation. This information is prepared for the use of BofA Securities clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of BofA Securities. BofA Global Research information is distributed simultaneously to internal and client websites and other portals by BofA Securities and is not publicly-available material. Any unauthorized use or disclosure is prohibited. Receipt and review of this information constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained herein (including any investment recommendations, estimates or price targets) without first obtaining express permission from an authorized officer of BofA Securities.

Materials prepared by BofA Global Research personnel are based on public information. Facts and views presented in this material have not been reviewed by, and may not reflect information known to, professionals in other business areas of BofA Securities, including investment banking personnel. BofA Securities has established information barriers between BofA Global Research and certain business groups. As a result, BofA Securities does not disclose certain client relationships with, or compensation received from, such issuers. To the extent this material discusses any legal proceeding or issues, it has not been prepared as nor is it intended to express any legal conclusion, opinion or advice. Investors should consult their own legal advisers as to issues of law relating to the subject matter of this material. BofA Global Research personnel's knowledge of legal proceedings in which any BofA Securities entity and/or its directors, officers and employees may be plaintiffs, defendants, co-defendants or co-plaintiffs with or involving issuers mentioned in this material is based on public information. Facts and views presented in this material that relate to any such proceedings have not been reviewed by, discussed with, and may not reflect information known to, professionals in other business areas of BofA Securities in connection with the legal proceedings or matters relevant to such proceedings.

This information has been prepared independently of any issuer of securities mentioned herein and not in connection with any proposed offering of securities or as agent of any issuer of any securities. None of BofAS any of its affiliates or their research analysts has any authority whatsoever to make any representation or warranty on behalf of the issuer(s). BofA Global Research policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer prior to the publication of a research report containing such rating, recommendation or investment thesis.

Any information relating to the tax status of financial instruments discussed herein is not intended to provide tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.

The information herein (other than disclosure information relating to BofA Securities and its affiliates) was obtained from various sources and we do not guarantee its accuracy. This information may contain links to third-party websites. BofA Securities is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this information and is not incorporated by reference. The inclusion of a link does not imply any endorsement by or any affiliation with BofA Securities. Access to any third-party website is at your own risk, and you should always review the terms and privacy policies at third-party websites before submitting any personal information



to them. BofA Securities is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

All opinions, projections and estimates constitute the judgment of the author as of the date of publication and are subject to change without notice. Prices also are subject to change without notice. BofA Securities is under no obligation to update this information and BofA Securities ability to publish information on the subject issuer(s) in the future is subject to applicable quiet periods. You should therefore assume that BofA Securities will not update any fact, circumstance or opinion contained herein.

Certain outstanding reports or investment opinions relating to securities, financial instruments and/or issuers may no longer be current. Always refer to the most recent research report relating to an issuer prior to making an investment decision.

In some cases, an issuer may be classified as Restricted or may be Under Review or Extended Review. In each case, investors should consider any investment opinion relating to such issuer (or its security and/or financial instruments) to be suspended or withdrawn and should not rely on the analyses and investment opinion(s) pertaining to such issuer (or its securities and/or financial instruments) nor should the analyses or opinion(s) be considered a solicitation of any kind. Sales persons and financial advisors affiliated with BofAS or any of its affiliates may not solicit purchases of securities or financial instruments that are Restricted or Under Review and may only solicit securities under Extended Review in accordance with firm policies.

Neither BofA Securities nor any officer or employee of BofA Securities accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this information.