

## Hibbett Sports, Inc.

## Expect more headwinds during shoulder periods

Reiterate Rating: UNDERPERFORM | PO: 50.00 USD | Price: 68.51 USD

## F4Q EPS below estimates given lower same-store sales

Hibbett Sports reported F4Q EPS of \$2.55 (below BofAe \$2.62) as same-store sales declined 6.4% (below our -1.0%). We believe same-store sales were strong in November and December, but softened significantly in January post-holiday. Gross margin of 34.5% was below our 35.3% as HIBB utilized promos to drive traffic in January. Our PO remains \$50 based on 5-6x our F25 EPS of \$8.45. We reiterate our Underperform, as we see headwinds for HIBB's core consumer, especially during lower volume shoulder periods.

## Expect 1Q softer, with more strength in Back to School

We model same-store sales of -2.0% in F1Q25, especially as HIBB has seen less of a tailwind from tax refunds compared to last year. We believe broader availability of classic footwear franchises (e.g., Air Force 1) from Nike has led to reduced buying in some instances as consumers move away from stocking up. We expect same-store sales to accelerate in 2Q given the Back-to-School buying catalyst, and some timing shift benefits from 3Q. HIBB also sees the content lineup improving in the back half, which should help support 2H same-store sales.

## HIBB confident in store growth as it targets new markets

HIBB believes it can potentially double its store footprint over time, and plans to open 45-50 net new units this year. HIBB will continue to target one new market per year in areas where there are underserved consumers. We believe the balance of store growth will come from in-fill of existing markets. HIBB is seeing strong productivity from new unit openings.

## Expect benefits from Nike-connected membership

We believe HIBB will benefit as one of a limited number of retailers in N. America (incl. DKS (Dick's Sporting Goods)) with Nike-connected memberships. We believe HIBB will have access to more membership data, which will allow unique access to product for its customers. We believe HIBB will be able to use its data insights to better inform its own purchasing decisions and believe the partnership likely offers better access to high heat product.

Estimates (Jan) (US\$)	2023A	2024A	2025E	2026E	2027E
EPS	9.62	8.18	8.00	8.45	10.02
GAAP EPS	9.62	8.18	8.00	8.45	10.12
EPS Change (YoY)	-14.0%	-15.0%	-2.2%	5.6%	18.6%
Consensus EPS (Bloomberg)			8.79	9.70	NA
DPS	1.02	1.11	1.19	1.29	1.39
Valuation (Jan)					
P/E	7.1x	8.4x	8.6x	8.1x	6.8x
Dividend Yield	1.5%	1.6%	1.7%	1.9%	2.0%
EV / EBITDA*	3.5x	4.0x	4.1x	3.9x	3.5x
Free Cash Flow Yield*	-0.5%	14.4%	8.5%	9.2%	11.3%

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

15 March 2024

## Equity

## Key Changes

(US\$)	Previous	Current
2025E Rev (m)	1,805.5	1,732.8
2026E Rev (m)	1,882.0	1,808.7
2027E Rev (m)	1,976.3	1,899.4
2025E EPS	8.40	8.00
2026E EPS	9.15	8.45
2027E EPS	9.87	10.02

## Alexander Perry

Research Analyst  
BofAS  
+1 646 855 1365  
[aperry3@bofa.com](mailto:aperry3@bofa.com)

## Robert F. Ohmes, CFA

Research Analyst  
BofAS  
+1 646 855 0078  
[robert.ohmes@bofa.com](mailto:robert.ohmes@bofa.com)

## Stock Data

Price	68.51 USD
Price Objective	50.00 USD
Date Established	21-Nov-2023
Investment Opinion	C-3-7
52-Week Range	34.86 USD - 83.00 USD
Mrkt Val (mn) / Shares Out (mn)	806 USD / 11.8
Free Float	97.0%
Average Daily Value (mn)	14.48 USD
BofA Ticker / Exchange	HIBB / NAS
Bloomberg / Reuters	HIBB US / HIBB.OQ
ROE (2025E)	20.2%
Net Dbt to Eqty (Jan-2024A)	-11.9%
ESGMeter <sup>TM</sup>	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"](#).

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# iQprofile<sup>SM</sup> Hibbett Sports, Inc.

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

(US\$ Millions)	2023A	2024A	2025E	2026E	2027E
Return on Capital Employed	19.9%	14.3%	11.9%	11.3%	11.8%
Return on Equity	38.4%	25.4%	20.2%	18.6%	18.9%
Operating Margin	9.9%	7.9%	7.2%	7.1%	7.7%
Free Cash Flow	(4)	116	68	74	91

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

(US\$ Millions)	2023A	2024A	2025E	2026E	2027E
Cash Realization Ratio	0.5x	1.8x	1.5x	1.5x	1.5x
Asset Replacement Ratio	1.6x	1.4x	1.3x	1.1x	1.1x
Tax Rate	23.3%	21.6%	22.9%	24.0%	24.5%
Net Debt-to-Equity Ratio	5.4%	-11.9%	-15.8%	-19.7%	-25.1%
Interest Cover	NM	25.5x	29.7x	30.8x	34.9x

## Income Statement Data (Jan)

(US\$ Millions)	2023A	2024A	2025E	2026E	2027E
Sales	1,708	1,729	1,733	1,809	1,899
% Change	1.0%	1.2%	0.2%	4.4%	5.0%
Gross Profit	602	584	594	620	655
% Change	-6.9%	-3.0%	1.7%	4.5%	5.6%
EBITDA	212	186	180	190	213
% Change	-19.6%	-12.4%	-3.2%	5.7%	11.8%
Net Interest & Other Income	(1)	(5)	(4)	(4)	(4)
<b>Net Income (Adjusted)</b>	<b>128</b>	<b>103</b>	<b>93</b>	<b>95</b>	<b>107</b>
<b>% Change</b>	<b>-26.5%</b>	<b>-19.4%</b>	<b>-9.9%</b>	<b>2.1%</b>	<b>13.3%</b>

## Free Cash Flow Data (Jan)

(US\$ Millions)	2023A	2024A	2025E	2026E	2027E
Net Income from Cont Operations (GAAP)	128	103	93	95	107
Depreciation & Amortization	44	49	55	61	66
Change in Working Capital	(104)	34	(10)	(12)	(13)
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	0	0	0	0	0
Capital Expenditure	(71)	(70)	(70)	(70)	(70)
<b>Free Cash Flow</b>	<b>-4</b>	<b>116</b>	<b>68</b>	<b>74</b>	<b>91</b>
<b>% Change</b>	<b>NM</b>	<b>NM</b>	<b>-41.2%</b>	<b>8.6%</b>	<b>22.5%</b>
Share / Issue Repurchase	(30)	(30)	(30)	(30)	(30)
Cost of Dividends Paid	(14)	(14)	(14)	(14)	(15)
Change in Debt	36	0	0	0	0

## Balance Sheet Data (Jan)

(US\$ Millions)	2023A	2024A	2025E	2026E	2027E
Cash & Equivalents	16	88	113	142	186
Trade Receivables	0	0	0	0	0
Other Current Assets	457	394	412	433	454
Property, Plant & Equipment	169	190	205	214	218
Other Non-Current Assets	297	300	301	314	329
<b>Total Assets</b>	<b>939</b>	<b>973</b>	<b>1,031</b>	<b>1,102</b>	<b>1,188</b>
Short-Term Debt	36	36	36	36	36
Other Current Liabilities	219	190	198	207	216
Long-Term Debt	0	0	0	0	0
Other Non-Current Liabilities	6	6	6	6	6
<b>Total Liabilities</b>	<b>563</b>	<b>538</b>	<b>546</b>	<b>566</b>	<b>589</b>
<b>Total Equity</b>	<b>376</b>	<b>436</b>	<b>485</b>	<b>536</b>	<b>599</b>
<b>Total Equity &amp; Liabilities</b>	<b>939</b>	<b>973</b>	<b>1,031</b>	<b>1,102</b>	<b>1,188</b>

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

## Company Sector

Leisure

## Company Description

Hibbett is a regional, full-line athletic footwear, apparel and equipment retailer in the South, Southwest, Mid-Atlantic and Midwest of the United States. Hibbett operates roughly 1,100 stores, primarily in a small box format (average 5,000 sq. ft.) located in strip centers in small to mid-sized markets.

## Investment Rationale

We rate HIBB shares Underperform given a slowdown in secondary brands & franchises sell through & outlook for elevated promotional environment.

## Stock Data

Average Daily Volume 211,346

## Quarterly Earnings Estimates

	2024	2025
Q1	2.74A	2.60E
Q2	0.85A	0.98E
Q3	2.05A	2.00E
Q4	2.55A	2.42E

**Exhibit 1: HIBB quarterly earnings analysis**

\$ millions, except per share data

	Net Sales	COGS Buy., Occ.	Optg Exp	D&A	Optg Inc	Interest Expense (Income)	Ptx Inc	Inc Tax	Net Inc bef. Extra	Extra Gain (Loss)	Net Inc.	Operating EPS	Reported EPS	Sh O/S (MM)
Apr-Q1	\$424.1	\$267.2	\$95.6	\$10.5	\$50.7	\$0.1	\$50.6	\$11.3	\$39.3	\$0.0	\$39.3	<b>\$2.89</b>	\$2.89	13.6
Jul-Q2	\$392.8	\$257.7	\$91.4	\$10.9	\$32.8	\$0.4	\$32.5	\$7.7	\$24.7	\$0.0	\$24.7	<b>\$1.86</b>	\$1.86	13.3
Oct-Q3	\$433.2	\$284.4	\$103.5	\$11.0	\$34.2	\$0.5	\$33.7	\$8.2	\$25.6	\$0.0	\$25.6	<b>\$1.94</b>	\$1.94	13.2
Jan-Q4	<u>\$458.3</u>	<u>\$297.1</u>	<u>\$99.0</u>	<u>\$11.5</u>	<u>\$50.7</u>	<u>\$0.6</u>	<u>\$50.1</u>	<u>\$11.7</u>	<u>\$38.4</u>	<u>\$0.0</u>	<u>\$38.4</u>	<u><b>\$2.91</b></u>	<u>\$2.91</u>	<u>13.2</u>
F2023	\$1,708.3	\$1,106.4	\$389.6	\$43.9	\$168.4	\$1.5	\$167.0	\$38.9	\$128.1	\$0.0	\$128.1	<b>\$9.62</b>	\$9.62	13.3
Apr-Q1	\$455.5	\$301.9	\$96.0	\$11.7	\$45.9	\$1.3	\$44.6	\$8.7	\$35.9	\$0.0	\$35.9	<b>\$2.74</b>	\$2.74	13.1
Jul-Q2	\$374.9	\$252.0	\$94.9	\$12.0	\$16.0	\$1.9	\$14.1	\$3.2	\$10.9	\$0.0	\$10.9	<b>\$0.85</b>	\$0.85	12.8
Oct-Q3	\$431.9	\$285.6	\$99.4	\$12.5	\$34.5	\$1.1	\$33.4	\$7.9	\$25.5	\$0.0	\$25.5	<b>\$2.05</b>	\$2.05	12.4
Jan-Q4	<u>\$466.6</u>	<u>\$305.8</u>	<u>\$107.4</u>	<u>\$12.8</u>	<u>\$40.6</u>	<u>\$1.0</u>	<u>\$39.6</u>	<u>\$8.7</u>	<u>\$30.9</u>	<u>\$0.0</u>	<u>\$30.9</u>	<u><b>\$2.55</b></u>	<u>\$2.55</u>	<u>12.1</u>
F2024	\$1,728.9	\$1,145.2	\$397.7	\$49.0	\$137.0	\$5.4	\$131.6	\$28.5	\$103.2	\$0.0	\$103.2	<b>\$8.18</b>	\$8.18	12.6
Apr-Q1E	\$456.4	\$303.0	\$98.9	\$13.2	\$41.2	\$1.0	\$40.2	\$9.2	\$31.0	\$0.0	\$31.0	<b>\$2.60</b>	\$2.60	11.9
Jul-Q2E	\$382.4	\$255.1	\$97.7	\$13.6	\$16.0	\$1.0	\$15.0	\$3.4	\$11.5	\$0.0	\$11.5	<b>\$0.98</b>	\$0.98	11.7
Oct-Q3E	\$432.6	\$283.4	\$104.4	\$14.0	\$30.9	\$1.0	\$29.8	\$6.8	\$23.0	\$0.0	\$23.0	<b>\$2.00</b>	\$2.00	11.5
Jan-Q4E	<u>\$461.4</u>	<u>\$297.6</u>	<u>\$112.8</u>	<u>\$14.4</u>	<u>\$36.6</u>	<u>\$1.0</u>	<u>\$35.6</u>	<u>\$8.1</u>	<u>\$27.4</u>	<u>\$0.0</u>	<u>\$27.4</u>	<u><b>\$2.42</b></u>	<u>\$2.42</u>	<u>11.3</u>
F2025E	\$1,732.8	\$1,139.1	\$413.7	\$55.3	\$124.7	\$4.2	\$120.5	\$27.6	\$92.9	\$0.0	\$92.9	<b>\$8.00</b>	\$8.00	11.6
F2026E	\$1,808.7	\$1,188.3	\$430.1	\$61.3	\$129.0	\$4.2	\$124.8	\$29.9	\$94.8	\$0.0	\$94.8	<b>\$8.45</b>	\$8.45	11.2
Percentage Change							Margin Analysis							
	Comp Sales	Net Sales	Optg Exp	Optg Inc	Ptx Inc	Operating EPS	Gr Mgn	Exp Ratio	D&A Ratio	Op Mgn	Int	Tx Rate	Ptx Mgn	Operating Net Mgn
Apr-Q1	-18.9%	-16.3%	4.2%	-54.0%	-54.0%	-42.1%	37.0%	22.5%	2.5%	12.0%	0.0%	22.3%	11.9%	9.3%
Jul-Q2	-9.2%	-6.3%	-2.2%	-46.6%	-47.2%	-34.9%	34.4%	23.3%	2.8%	8.4%	0.1%	23.8%	8.3%	6.3%
Oct-Q3	9.9%	13.5%	7.5%	2.4%	1.2%	15.1%	34.3%	23.9%	2.5%	7.9%	0.1%	24.2%	7.8%	5.9%
Jan-Q4	<u>15.5%</u>	<u>19.6%</u>	<u>-2.0%</u>	<u>119.4%</u>	<u>117.8%</u>	<u>132.4%</u>	<u>35.2%</u>	<u>21.6%</u>	<u>2.5%</u>	<u>11.1%</u>	<u>0.1%</u>	<u>23.4%</u>	<u>10.9%</u>	<u>8.4%</u>
F2023	-2.2%	1.0%	1.8%	-26.2%	-26.7%	-14.0%	35.2%	22.8%	2.6%	9.9%	0.1%	23.3%	9.8%	7.5%
Apr-Q1	4.1%	7.4%	0.4%	-9.5%	-12.0%	-5.3%	33.7%	21.1%	2.6%	10.1%	0.3%	19.5%	9.8%	7.9%
Jul-Q2	-7.3%	-4.6%	3.8%	-51.2%	-56.5%	-54.4%	32.8%	25.3%	3.2%	4.3%	0.5%	22.8%	3.8%	2.9%
Oct-Q3	-2.7%	-0.3%	-4.0%	0.8%	-1.1%	6.1%	33.9%	23.0%	2.9%	8.0%	0.3%	23.6%	7.7%	5.9%
Jan-Q4	<u>-6.4%</u>	<u>1.8%</u>	<u>8.4%</u>	<u>-19.9%</u>	<u>-21.1%</u>	<u>-12.5%</u>	<u>34.5%</u>	<u>23.0%</u>	<u>2.7%</u>	<u>8.7%</u>	<u>0.2%</u>	<u>21.9%</u>	<u>8.5%</u>	<u>6.6%</u>
F2024	-2.9%	1.2%	2.1%	-18.6%	-21.2%	-15.0%	33.8%	23.0%	2.8%	7.9%	0.3%	21.6%	7.6%	6.0%
Apr-Q1E	-2.0%	0.2%	3.0%	-10.2%	-9.9%	-5.0%	33.6%	21.7%	2.9%	9.0%	0.2%	22.9%	8.8%	6.8%
Jul-Q2E	0.0%	2.0%	3.0%	0.0%	5.9%	15.8%	33.3%	25.6%	3.6%	4.2%	0.3%	22.9%	3.9%	3.0%
Oct-Q3E	-2.0%	0.2%	5.0%	-10.5%	-10.7%	-2.9%	34.5%	24.1%	3.2%	7.1%	0.2%	22.9%	6.9%	5.3%
Jan-Q4E	<u>2.0%</u>	<u>-1.1%</u>	<u>5.0%</u>	<u>-9.8%</u>	<u>-10.1%</u>	<u>-4.9%</u>	<u>35.5%</u>	<u>24.4%</u>	<u>3.1%</u>	<u>7.9%</u>	<u>0.2%</u>	<u>22.9%</u>	<u>7.7%</u>	<u>5.9%</u>
F2025E	-0.5%	0.2%	4.0%	-9.0%	-8.5%	-2.2%	34.3%	23.9%	3.2%	7.2%	0.2%	22.9%	7.0%	5.4%
F2026E	2.0%	4.4%	4.0%	3.4%	3.5%	5.7%	34.3%	23.8%	3.4%	7.1%	0.2%	24.0%	6.9%	5.2%

Source: BofA Global Research estimates, company filings

BofA GLOBAL RESEARCH





## Price objective basis & risk

### Hibbett Sports, Inc. (HIBB)

Our \$50 price objective is based on 5-6x our F2025E EPS estimate, below peers as HIBB has increased headwinds from a slowdown in core customer from inflation, softness in secondary franchises, and outlook for elevated promotional environment.

Downside risks to our PO are: margin pressure from e-commerce investment spend and incremental shipping costs, promotional athletic retail environment, market share pressure from sporting goods players.

Upside risks are: consumer momentum accelerates as HIBB moves further away from tax refund headwinds, and benefits from brands downsizing allocations to key competitors.

## Analyst Certification

I, Alexander Perry, 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 - Broadlines, Hardlines, Food Retailers & Leisure Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Academy Sports + Outdoors	ASO	ASO US	Robert F. Ohmes, CFA
	Arhaus, Inc	ARHS	ARHS US	Robert F. Ohmes, CFA
	BJ's Wholesale Club Holdings	BJ	BJ US	Robert F. Ohmes, CFA
	Costco Wholesale Corporation	COST	COST US	Robert F. Ohmes, CFA
	Grocery Outlet Holding Corp.	GO	GO US	Robert F. Ohmes, CFA
	Harley-Davidson	HOG	HOG US	Alexander Perry
	Life Time	LTH	LTH US	Alexander Perry
	Mattel	MAT	MAT US	Alexander Perry
	Mister Car Wash	MCW	MCW US	Robert F. Ohmes, CFA
	O'Reilly Automotive, Inc.	ORLY	ORLY US	Robert F. Ohmes, CFA
	Planet Fitness, Inc.	PLNT	PLNT US	Alexander Perry
	Sprouts Farmers Market, Inc.	SFM	SFM US	Robert F. Ohmes, CFA
	Sysco Corporation	SY	SY US	Kendall Toscano
	Target Corp.	TGT	TGT US	Robert F. Ohmes, CFA
	The Kroger Co.	KR	KR US	Robert F. Ohmes, CFA
	Topgolf Callaway Brands Corp	MODG	MODG US	Alexander Perry
	Upbound Group Inc.	UPBD	UPBD US	Vicky Liu
	Walmart Inc	WMT	WMT US	Robert F. Ohmes, CFA
<b>NEUTRAL</b>				
	Dick's Sporting Goods	DKS	DKS US	Robert F. Ohmes, CFA
	Fox Factory Holding Corp	FOXF	FOXF US	Alexander Perry
	Hasbro	HAS	HAS US	Alexander Perry
	Williams-Sonoma	WSM	WSM US	Robert F. Ohmes, CFA
	Xponential Fitness	XPOF	XPOF US	Alexander Perry
	YETI Holdings, Inc.	YETI	YETI US	Robert F. Ohmes, CFA
<b>UNDERPERFORM</b>				
	Advance Auto Parts, Inc.	AAP	AAP US	Robert F. Ohmes, CFA
	Canada Goose Holdings Inc	YGOOS	GOOS CN	Alexander Perry
	Canada Goose Holdings Inc	GOOS	GOOS US	Alexander Perry
	Columbia Sportswear	COLM	COLM US	Alexander Perry
	Dollar General Corporation	DG	DG US	Robert F. Ohmes, CFA
	Dollar Tree, Inc.	DLTR	DLTR US	Robert F. Ohmes, CFA
	Hibbett Sports, Inc.	HIBB	HIBB US	Alexander Perry
	National Vision	EYE	EYE US	Robert F. Ohmes, CFA
	Tractor Supply Company	TSCO	TSCO US	Robert F. Ohmes, CFA



## iQmethod<sup>SM</sup> 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 &amp; 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

iQmethod<sup>SM</sup> is the set of BofA Global Research standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and validations. The key features of iQmethod are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

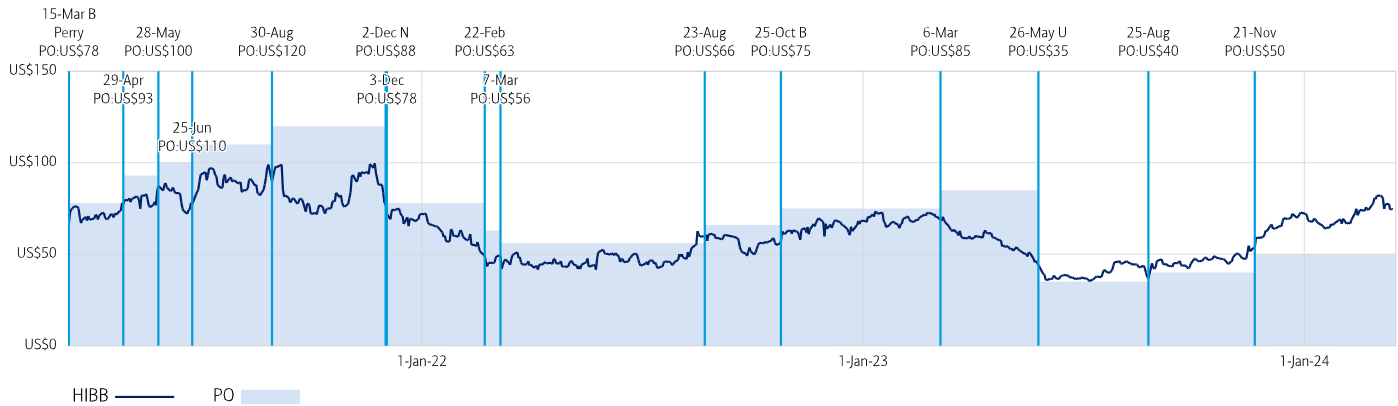
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B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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: Leisure Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	16	55.17%	Buy	9	56.25%
Hold	7	24.14%	Hold	5	71.43%
Sell	6	20.69%	Sell	4	66.67%

### 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>
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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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