

Instacart

Lots of moving parts in 4Q, but EBITDA beats continue; Reiterate Neutral

Reiterate Rating: NEUTRAL | PO: 32.00 USD | Price: 27.85 USD

Mixed 4Q: GTV (+), take rates (-), EBITDA (+)

Reported rev/EBITDA of \$803mn/\$199mn vs. Street at \$805mn/\$171mn. GTV grew 7% y/y to \$7.89bn and beat Street at \$7.80bn (6% y/y), driven by 5.4% order growth and modest AOV upside. Revenues were a little light as transaction revenue take rate at 7.1% was below Street at 7.2% (down vs. 7.2% last year), with incentives (contra-revenue) driving take rate pressure. Advertising revenue grew 7% to \$243mn vs. guidance at \$242mn, a sequential deceleration of 12pts. Instacart generated \$199mn in EBITDA driven by lower opex (total opex was \$30mn below our est.) as some S&M dollars were shifted into incentives.

Outlook for GTV acceleration & EBITDA upside a positive

1Q GTV outlook at \$8.0-\$8.2bn (above Street at \$7.91bn) suggests 7-10% growth as mature cohorts are less of a drag on overall trends, with potentially higher incentive spend. 1Q EBITDA outlook at \$150-\$160mn was above Street at \$150mn, and, for 2024, mgmt. expects EBITDA to grow on an absolute dollar basis and percent of GTV. Instacart will lay off 250 employees in 1Q (7% of total), which provides additional expense cushion in 2Q, though mgmt. indicated plans to reinvest potential savings.

Raising estimates, expect 8.4% GTV growth in 1Q

We expect higher 8.4% GTV growth in 1Q, aided by incentives, with EBITDA down slightly y/y. Our revenue is relatively unchanged at \$785mn, based on a total take rate of 9.7% (-50 bps y/y). We raise our EBITDA by 10% to \$165mn, with lower S&M expense driving upside and offsetting incentives. For 2024E, we raise rev/EBITDA to \$3.33bn/\$779mn from \$3.26bn/\$726mn on slightly better order trends and continued expense management.

Accelerating trends but still tough competition; Neutral

Overall, a modest 1% GTV beat (aided by growing incentives vs. S&M spend) with strong opex discipline was a bright spot in driving profit upside. Instacart is seeing improving cohort trends leading to positive GTV acceleration, but others in the sector, such as Dash and Uber Delivery have also recently accelerated, and growing incentive spend can create tougher y/y GTV comps. Based on higher estimates, we raise our PO to \$32 from \$30 using unchanged 3.0x 2025 Gross Profit & 10x EBITDA multiples. Instacart's IPO share lock up expires on Thursday (2/15), and the company raised its buyback authorization by \$500mn (to around \$930mn) to help offset potential stock volatility.

Estimates (Dec) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	(0.24)	(20.42)	0.92	1.05	1.26
EPS Change (YoY)	86.0%	NM	NM	14.1%	20.0%
Consensus EPS (Bloomberg)			0.69	1.25	1.38
DPS	0	0	0	0	0
Valuation (Dec)					
P/E	NM	NM	30.3x	26.5x	22.1x
EV / EBITDA*	29.2x	8.5x	7.0x	6.2x	5.4x
Free Cash Flow Yield*	3.2%	6.8%	9.9%	10.6%	13.8%

* For full definitions of *IQmethod*SM measures, see page 7.

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Timestamp: 14 February 2024 12:48AM EST

14 February 2024

Equity

Key Changes

(US\$)	Previous	Current
Price Obj.	30.00	32.00
2024E Rev (m)	3,263.8	3,332.2
2025E Rev (m)	3,509.3	3,614.6
2026E Rev (m)	3,736.2	3,923.0
2024E EPS	0.18	0.92
2025E EPS	0.58	1.05
2026E EPS	1.00	1.26

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Stock Data

Price	27.85 USD
Price Objective	32.00 USD
Date Established	14-Feb-2024
Investment Opinion	C-2-9
52-Week Range	22.13 USD - 42.95 USD
Mrkt Val (mn) / Shares Out (mn)	7,804 USD / 280.2
Free Float	8.4%
Average Daily Value (mn)	72.89 USD
BofA Ticker / Exchange	CART / NAS
Bloomberg / Reuters	CART US / CART.OQ
ROE (2024E)	7.4%
Net Dbt to Eqty (Dec-2023A)	-54.4%

GTV: Gross Transaction Value

SNAP: Supplemental Nutrition Assistance Program

EBT: Electronic Benefit Transfer

iQprofileSM Instacart

iQmethodSM – Bus Performance*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Return on Capital Employed	2.7%	-47.2%	7.2%	7.5%	7.9%
Return on Equity	-0.8%	-83.6%	7.4%	7.8%	8.1%
Operating Margin	2.4%	-70.4%	9.5%	11.1%	12.4%
Free Cash Flow	253	532	772	825	1,078

iQmethodSM – Quality of Earnings*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash Realization Ratio	NM	NM	2.8x	2.4x	2.5x
Asset Replacement Ratio	0.7x	1.3x	1.4x	1.1x	1.1x
Tax Rate	NM	21.3%	28.0%	27.5%	21.0%
Net Debt-to-Equity Ratio	-54.6%	-54.4%	-57.0%	-62.9%	-69.0%
Interest Cover	NA	NA	NA	NA	NA

Income Statement Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Sales	2,551	3,042	3,332	3,615	3,923
% Change	39.1%	19.2%	9.5%	8.5%	8.5%
Gross Profit	1,831	2,278	2,486	2,683	2,915
% Change	49.3%	24.4%	9.1%	7.9%	8.6%
EBITDA	187	641	779	884	1,005
% Change	450.0%	242.8%	21.5%	13.5%	13.7%
Net Interest & Other Income	9	81	102	100	100
Net Income (Adjusted)	(19)	(2,793)	300	364	462
% Change	83.4%	NM	NM	21.5%	26.9%

Free Cash Flow Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Income from Cont Operations (GAAP)	428	(1,622)	302	365	464
Depreciation & Amortization	34	43	40	54	55
Change in Working Capital	124	(165)	(29)	(96)	13
Deferred Taxation Charge	(373)	(459)	86	106	118
Other Adjustments, Net	64	2,789	427	454	491
Capital Expenditure	(24)	(54)	(56)	(58)	(63)
Free Cash Flow	253	532	772	825	1,078
% Change	NM	110.3%	45.1%	6.9%	30.6%
Share / Issue Repurchase	49	371	(500)	0	0
Cost of Dividends Paid	0	0	0	0	0
Change in Debt	0	0	0	0	0

Balance Sheet Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash & Equivalents	1,505	2,137	2,409	3,234	4,312
Trade Receivables	842	853	911	1,016	1,032
Other Current Assets	393	315	329	338	343
Property, Plant & Equipment	38	135	151	168	231
Other Non-Current Assets	891	1,287	1,287	1,287	1,287
Total Assets	3,669	4,727	5,086	6,043	7,204
Short-Term Debt	0	0	0	0	0
Other Current Liabilities	795	733	792	828	882
Long-Term Debt	0	0	0	0	0
Other Non-Current Liabilities	116	67	71	74	74
Total Liabilities	911	800	863	902	956
Total Equity	2,758	3,927	4,223	5,142	6,249
Total Equity & Liabilities	3,669	4,727	5,086	6,043	7,204

* For full definitions of iQmethodSM measures, see page 7.

Company Sector

Internet/e-Commerce

Company Description

Instacart is the largest Online marketplace for grocery delivery and pick-up in the United States, with more than 7.5mn monthly active customers and 1,400+ retail banners that represent about 85% of the US grocery market. Instacart also offers adjacent services for retail customers through Instacart Enterprise Platform, an end-to-end tech technology solution that powers first-party Online storefronts, and Instacart Ads.

Investment Rationale

Investment Rationale

Instacart is a leading grocery platform TAM with a strong established ecosystem of grocers, shoppers and subscribers, with competitive barriers. Online grocery penetration is expected to expand to close to 30% given the time savings and convenience of buying online, enabling significant growth for leading grocery platforms. However, COVID unwind will likely weigh on growth rates and we look for catalysts to accelerate GTV growth toward sector levels to be more constructive.

Stock Data

Average Daily Volume 2,617,163

Quarterly Earnings Estimates

	2023	2024
Q1	0A	0.11E
Q2	0A	0.23E
Q3	-20.86A	0.24E
Q4	0.44A	0.34E

Positives in the quarter

- **GTV growth at 6.8% accelerated vs. 3Q and beat Street.** GTV of \$7.89bn grew 6.8% y/y (1pt accel) and beat Street at 5.6% y/y. Order growth of 5.4% y/y (above Street at 4.5%) was aided by increased incentive spend, which is anticipated to continue into 2024.
- **Outlook for acceleration.** Instacart guided to 1Q GTV growth of 7-10%, which does include a 1%E y/y benefit from Leap Year, but does not include benefit of easing SNAP comps, which is expected in 2Q. Pressure on growth from more mature cohorts pulling back spend (due to grocery store reopening) seems to be dissipating.
- **Margin upside, return to GAAP profitability.** Instacart generated \$135mn in GAAP net income, above Street at -\$24mn and turned profitable a quarter earlier than expected. \$40mn in lower adjusted opex vs. Street and \$40mn in lower stock-based comp helped drive margin outperformance. We are raising our 2024 and 2025 EBITDA estimates.
- **Buyback authorization program expanded.** The Board authorized another \$500mn buyback, bringing the total stock buyback program to \$930mn (net of the \$70mn of stock already purchased by the company). Instacart's IPO lock-up expires on 2/15 and mgmt. indicated that they will be opportunistic buyers of the stock.

Negatives in the quarter

- **GTV growth still well below gig economy peers.** Uber Delivery growth accelerated in 4Q to 17%, and, while Uber's Retail & Grocery segment decelerated vs 3Q, Uber reported 40%+ new vertical growth with grocery likely higher. We think Uber and Dash's results (Dash reports on 2/15) will suggest continued traction for gig competitors. We also expect Walmart and Kroger's C4Q results to show higher Online volume growth vs. Instacart as they convert store shoppers Online.
- **GTV beat aided by incentives.** Instacart generated \$560mn in transaction revenue, in line with Street, despite beating GTV by \$91mn. Transaction take rate of 7.1% decreased 10bps q/q and y/y as Instacart ramped incentives in 4Q'23. While revenues were in line, we note that overall EBITDA beat as Instacart spent less than expected on sales & marketing.
- **Soft advertising outlook.** Mgmt. expects lower ad growth in 2024 (ad investment rate should expand approx. +10bps y/y in '24) from lapping Shoppable Ads launch. Ad growth may also lag any GTV recovery, as mgmt. attributes the ad slowdown to "underwhelming GTV growth that we saw last year".
- **COO departure.** Instacart Chief Operating Officer Asha Sharma will leave the company on March 1st, which could create some disruption in operations.



Actuals vs. Estimates

Instacart reported Q4'23 GTV/rev/EBITDA of \$7.89bn/\$803mn/\$199mn vs. Street at \$7.80bn/\$805mn/\$171mn. GTV growth of 6.8% y/y was above Street at 5.6% and driven by higher order volumes, which grew 5.4% y/y. Instacart generated \$560mn of transaction revenue at a 7.1% take rate, -10bps q/q as incentives offset batching efficiency gains. Ad revenue growth decelerated 12pts to 7% y/y, in line with guidance. Overall revenue was in line with Street, though EBITDA of \$199mn beat Street at \$171mn, driven by a decrease in adjusted R&D and S&M. On a GAAP basis, net income of \$135mn (17% margin on rev) beat Street's -\$24mn estimate, aided by lower SBC.

Exhibit 1: Actuals vs. estimates

Instacart reported Q4'23 GTV/rev/EBITDA of \$7.89bn/\$803mn/\$199mn vs. Street at \$7.80bn/\$805mn/\$171mn.

	Q4'23A				
	Actuals	BofA Est.	Variance	Street	Variance
Drivers					
Orders	70.1	69.5	0.6	69.4	0.7
Y/Y	5.4%	4.5%	0.9	4.3%	1.1
AOV	\$113	\$112	\$0	\$112.7	\$0
Y/Y	1.3%	1.0%	0.3	1.2%	0.1
GTV	\$7,891	\$7,800	\$91	\$7,800	\$91
Y/Y	6.8%	5.5%	1.2	5.6%	1.2
Transaction Revenue	560	562	(2)	562	(2)
Take Rate	7.1%	7.2%	(0.1)	7.2%	(0.1)
Y/Y	6%	6%	(0)	6.0%	(0)
Advertising and Other Revenue	243	242	1	248	(5)
Ad Investment Rate	3.1%	3.1%	(0.0)	3.2%	(0.1)
Y/Y	7%	7%	1	9.5%	(2)
Total Revenue	\$803	\$803	\$0	\$805	-\$2
Y/Y	6%	6%	(0)	6.3%	(0)
Non-GAAP					
Adj. Cost of Revenue	188	183	5	189	(1)
Adj. Gross Profit	615	620	(5)	616	(1)
% margin	77%	77%	(1)	77%	0
Adj. Operations & Support	66	66	0	66	(0)
Adj. Research & Development	119	127	(8)	129	(10)
Adj. Sales & Marketing	155	170	(15)	176	(21)
Adj. General & Administrative	76	82	(6)	82	(6)
Total Adj. Operating Expenses	416	445	(29)	453	(37)
Adj. Income (Loss) from Operations	\$199	\$175	\$24	\$163	\$36
% margin	25%	22%	3	20.3%	4
Adjustments					
D&A	10	16	(6)	14	(4)
SBC	142	175	(33)	181	(39)
Other non-GAAP adjustments	13	16	(3)	17	(4)
Other income (expenses), net	(101)	(5)	(96)	(24)	(77)
GAAP Net Income	\$135	-\$27	\$162	-\$24	\$159
% margin	17%	-3%	20	-3%	20
EPS	\$0.44	-\$0.09	20	-\$0.09	20
Adj. EBITDA	\$199	\$175	\$24	\$171	\$28
% margin	25%	22%	3	21%	4
Q1 Guidance					
GTV Growth	\$8bn-\$8.2bn	\$7.90 bn		\$7.91 bn	
Adj. EBITDA	\$150-\$160mn	\$149 mn		\$150 mn	

Source: Company reports, BofA Global Research

BofA GLOBAL RESEARCH

Estimate changes

We raise our 1Q GMV by 2.4% to \$8.09bn, but keep our revenue relatively unchanged at \$785mn to account for higher incentive spend. Our 1Q EBITDA increases 10% to \$165mn, with lower Sales & Marketing driving a big portion of the improvement. We raise our 2024 GMV/rev/EBITDA to \$32.9bn/\$3.33bn/\$779mn from \$31.9bn/\$3.26bn/\$726mn.

Exhibit 2: Estimate changes

We adjust Q1'24E GTV/rev/EBITDA to \$8.09bn/\$785mn/\$165mn from \$7.90bn/\$786mn/\$149mn.

	Q1'24E			FY24E			FY25E		
	New	Prior	Variance	New	Prior	Variance	New	Prior	Variance
Drivers									
Orders	71.6	70.3	1.3	291.2	284.4	6.8	311.6	301.4	10.1
Y/Y	7.5%	5.5%	2.0	8.2%	5.9%	2.3	7.0%	6.0%	1.0
AOV	\$113	\$112	\$1	\$113	\$112	\$1	\$112	\$111	\$1
Y/Y	0.8%	0.3%	0.5	0.3%	-0.4%	0.7	-0.8%	-1.1%	0.3
GTV	\$8,089	\$7,899	\$190	\$32,896	\$31,871	\$1,025	\$34,915	\$33,422	\$1,493
Y/Y	8.4%	5.8%	2.5	8.5%	5.4%	3.1	6.1%	4.9%	1.3
Transaction Revenue	574	569	6	2,377	2,311	66	2,549	2,440	109
Take Rate	7.1%	7.2%	(0.1)	7.2%	7.3%	(0.0)	7.3%	7.3%	-
Y/Y	2.7%	1.7%	1.0	9.5%	6.4%	3.1	7.2%	5.6%	1.6
Advertising and Other Revenue	210	217	(7)	955	953	2	1,066	1,070	(4)
Ad Investment Rate	2.6%	2.8%	(0.2)	2.9%	3.0%	(0.1)	3.1%	3.2%	(0.1)
Y/Y	5.2%	8.6%	(3.5)	9.7%	9.6%	0.1	11.6%	12.2%	(0.6)
Total Revenue	\$785	\$786	-\$1	\$3,332	\$3,264	\$68	\$3,615	\$3,509	\$105
Y/Y	3.4%	3.6%	(0.2)	9.5%	7.3%	2.3	8.5%	7.5%	1.0
Non-GAAP									
Adj. Cost of Revenue	195	189	7	816	769	46	892	818	75
Adj. Gross Profit	589	597	(8)	2,517	2,494	22	2,722	2,692	31
% margin	75.1%	76.0%	(0.9)	75.5%	76.4%	(0.9)	75.3%	76.7%	(1.4)
Adj. Operations & Support	67	65	1	276	262	14	293	275	18
Adj. Research & Development	122	129	(8)	487	491	(4)	508	505	2
Adj. Sales & Marketing	159	171	(12)	658	693	(35)	702	730	(28)
Adj. General & Administrative	77	82	(5)	316	322	(6)	337	333	4
Total Adj. Operating Expenses	424	448	(23)	1,738	1,769	(31)	1,839	1,843	(4)
Adj. Income (Loss) from Operations	\$165	\$149	\$15	\$779	\$726	\$53	\$884	\$849	\$35
% margin	21.0%	19.0%	2.0	23.4%	22.2%	1.1	24.4%	24.2%	0.3
Adjustments									
D&A	9	17	(7)	40	74	(34)	54	91	(37)
SBC	118	145	(27)	407	500	(92)	434	456	(22)
Other non-GAAP adjustments	18	9	9	13	41	(28)	(7)	29	(36)
Other income (expenses), net	14	(6)	20	(16)	(43)	27	(38)	(67)	29
GAAP Net Income	\$33	-\$28	\$61	\$302	\$68	\$234	\$365	\$206	\$159
% margin	4.2%	-3.6%	7.8	9.1%	2.1%	7.0	10.1%	5.9%	4.2
EPS	\$0.11	-\$0.10		\$0.92	\$0.18	\$0.74	\$1.05	\$0.58	\$0.47
Adj. EBITDA	\$165	\$149	\$15	\$779	\$726	\$53	\$884	\$849	\$35
% margin	21.0%	19.0%	2.0	23.4%	22.2%	1.1	24.4%	24.2%	0.3

Source: BofA Global Research

BofA GLOBAL RESEARCH

Price objective basis & risk

Instacart (CART)

Our PO of \$32 is based on a 50/50 weighting of 3.0x EV/Gross Profit and 10x EV/EBITDA, multiples which are at a discount to the eCommerce and Gig Economy peer group given lower relative growth expectations. Our PO is based on a fully diluted share count of 337mn and is supported by our DCF analysis.

Downside risks are 1) potential that reopening impact on cohorts (returning to in-store shopping) continues for longer than expected, 2) loss of any grocery partners, 3) grocery share gains by Walmart and Amazon impact Instacart's growth/market share, 4) new regulations and changes in driver employment legislation.

Analyst Certification

I, Justin Post, 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
	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

US - Internet Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
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

Numerator

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

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill

Amortization

Shareholders' Equity

Sales

N/A

N/A

Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash & Equivalents

EBIT

Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

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

Other LT Liabilities

Enterprise Value

Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

Basic EBIT + Depreciation + Amortization

iQmethodSM 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 valuations. 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.

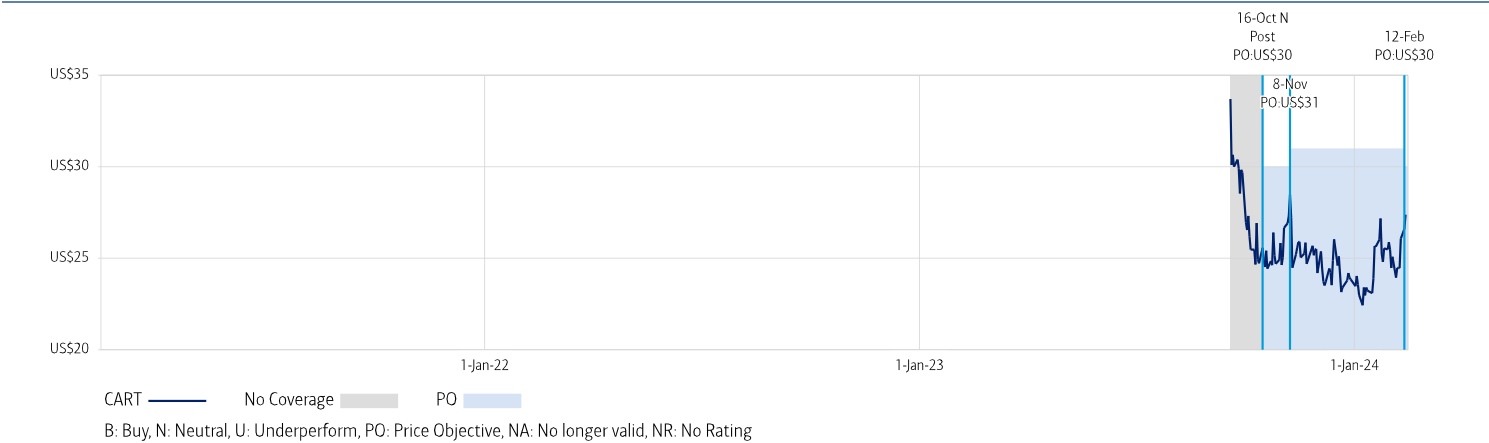
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Instacart (CART) Price Chart



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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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