BofA SECURITIES

Ascendis Pharma

TransCon PTH survey suggest rapid initial uptake if approved; Reiterate Buy

Reiterate Rating: BUY | PO: 156.00 USD | Price: 132.02 USD

KOLs highly optimistic on approvability of TransCon PTH

Ahead of TransCon PTH's May 14th PDUFA, we surveyed 25 endocrinologists who collectively treat >1,200 HPT pts to gain a better understanding of potential TransCon PTH usage trends. Our respondents noted that only ~59% of their pts are well-controlled with current SOC options. Our physicians are highly optimistic on the approval of TransCon PTH with all 25 respondents predicting a positive decision. If approved, our respondents predict a fast initial uptake ramp estimating ~32% of their pts to be on TransCon PTH within the first 6-months of launch expecting to utilize TransCon PTH in well-controlled and uncontrolled pts. At peak, physicians estimate ~46% of their HPT pts to be on TransCon PTH. We are encouraged by the positive KOL feedback that we think is suggestive of a strong initial launch. In our view, the predicted strong initial uptake is a testament to the high unmet need for new HPT therapies as well as TransCon PTH's impressive clinical profile. We reiterate our Buy rating with new $156 PO (prev. $145).

Mgmt estimates HPT opportunity is 4-5x the size of GHD

We recently hosted a dinner with ASND mgmt to discuss company expectations for TransCon PTH. ASND commented they would be ready for a US launch 6-weeks after approval (likely early-July). Mgmt did not provide an initial US list price but noted they expect to take a premium over the soon-to-be discontinued Natpara ($120-160K/yr). We currently model a $185k/yr price with a 15% GtN. We estimate modest FY24 risk-adj. WW sales of €53.4mn with growth expected to accelerate in 2025 once payer policies are in place (FY25 risk-adj. WW sales: €212mn). Mgmt highlighted they believe the total HPT opportunity could be 4-5x the size of GHD. While encouraged by the positive view, our near-term focus (if granted US approval) will be on initial payer dynamics given its importance in deciding market penetration. We model peak risk-adj. WW sales of €1.9bn in 2033. Other key highlights include: 1) Yorvipath (TransCon PTH) launch in Germany is on track for January with another EU country launch expected ~YE. Mgmt notes educating physicians will be the main gating factor in EU expecting a slower penetration ramp than in the US, 2) ASND plans to partner out TransCon rights in obesity with next update when a partner is chosen, and 3) company will be extremely disciplined with future R&D spend and only plans to invest in indications that have blockbuster potential.

Changes to our DCF-based model

We increase our US peak penetration to 30% (prev. 25%) based on mgmt commentary regarding launch expectations that we found validated by positive feedback from our surveyed KOLs. We also tweak our op ex estimates in line with recent trend.

Estimates (Dec) (EUR)	2022A	2023A	2024E	2025E	2026E
EPS	(10.40)	(9.23)	(5.41)	(0.95)	4.95
EPS Change (YoY)	-48.6%	11.3%	41.4%	82.4%	NM
Consensus EPS (Bloomberg)			(5.65)	(2.20)	2.15
DPS	0	0	0	0	0
Valuation (Dec)					
P/E	NM	NM	NM	NM	24.5x
EV / EBITDA*	NM	NM	NM	NM	21.1x
Free Cash Flow Yield*	-7.2%	-6.0%	-3.1%	0.9%	6.6%

* For full definitions of iQmethod℠ measures, see page 11.

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Refer to important disclosures on page 12 to 14. Analyst Certification on page 10. Price Objective Basis/Risk on page 10. 12648407

Timestamp: 22 January 2024 05:00AM EST

22 January 2024

Equity

BofA Data Analytics

Key Changes

(EUR)	Previous	Current
Price Obj.	US$145.00	US$156.00
2024E Rev (m)	436.2	393.0
2025E Rev (m)	654.5	644.2
2026E Rev (m)	NA	998.4
2024E EPS	-4.84	-5.41
2025E EPS	-0.71	-0.95
2026E EPS	NA	4.95

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Stock Data

Price	132.02 USD
Price Objective	156.00 USD
Date Established	22-Jan-2024
Investment Opinion	C-1-9
52-Week Range	64.33 USD - 140.00 USD
Mrkt Val (mn) / Shares Out (mn)	7,422 USD / 56.2
Free Float	0%
Average Daily Value (mn)	92.40 USD
BofA Ticker / Exchange	ASND / NAS
Bloomberg / Reuters	ASND US / ASND.OQ
ROE (2024E)	-6,814.5%
Net Dbt to Eqty (Dec-2023A)	NA
ESGMeter™	Low

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".

*iQ*profile℠ Ascendis Pharma

iQmethod℠ **– Bus Performance***

(EUR Millions)	2022A	2023A	2024E	2025E	2026E
Return on Capital Employed	-47.8%	-50.8%	-26.7%	2.1%	22.5%
Return on Equity	-101.7%	-866.2%	-6,814.5%	-16.0%	38.5%
Operating Margin	-1,097.9%	-280.8%	-86.9%	-12.5%	29.8%
Free Cash Flow	(510)	(409)	(212)	61	451

iQmethod℠ **– Quality of Earnings***

(EUR Millions)	2022A	2023A	2024E	2025E	2026E
Cash Realization Ratio	NM	NM	NM	NM	1.4x
Asset Replacement Ratio	0.8x	0.8x	0.8x	0.8x	0.8x
Tax Rate	NM	NM	NM	NM	2.4%
Net Debt-to-Equity Ratio	84.1%	NM	225.9%	-19.2%	-53.0%
Interest Cover	-8.2x	-7.9x	-4.2x	-1.0x	3.6x

Income Statement Data (Dec)

(EUR Millions)	2022A	2023A	2024E	2025E	2026E
Sales	51	193	393	644	998
% Change	557.9%	277.2%	103.6%	63.9%	55.0%
Gross Profit	39	161	354	578	894
% Change	817.4%	311.6%	120.4%	63.3%	54.6%
EBITDA	(544)	(522)	(320)	(57)	323
% Change	-24.6%	4.0%	38.8%	82.3%	NM
Net Interest & Other Income	(16)	21	16	26	37
Net Income (Adjusted)	**(583)**	**(527)**	**(332)**	**(62)**	**326**
% Change	**-52.1%**	**9.7%**	**37.1%**	**81.4%**	**NM**

Free Cash Flow Data (Dec)

(EUR Millions)	2022A	2023A	2024E	2025E	2026E
Net Income from Cont Operations (GAAP)	(583)	(527)	(332)	(62)	326
Depreciation & Amortization	18	20	22	24	26
Change in Working Capital	(19)	(8)	(9)	(10)	(11)
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	88	122	125	128	131
Capital Expenditure	(14)	(16)	(18)	(19)	(21)
Free Cash Flow	**-510**	**-409**	**-212**	**61**	**451**
% Change	**-15.6%**	**19.8%**	**48.3%**	**NM**	**640.7%**
Share / Issue Repurchase	503	0	500	400	0
Cost of Dividends Paid	0	0	0	0	0
Change in Debt	0	0	0	0	0

Balance Sheet Data (Dec)

(EUR Millions)	2022A	2023A	2024E	2025E	2026E
Cash & Equivalents	445	186	474	935	1,386
Trade Receivables	25	26	27	29	30
Other Current Assets	454	467	481	497	515
Property, Plant & Equipment	129	125	121	116	111
Other Non-Current Assets	37	38	40	41	43
Total Assets	**1,090**	**842**	**1,144**	**1,618**	**2,085**
Short-Term Debt	666	816	816	816	816
Other Current Liabilities	160	168	176	184	193
Long-Term Debt	0	0	0	0	0
Other Non-Current Liabilities	NA	NA	NA	NA	NA
Total Liabilities	**826**	**984**	**992**	**1,001**	**1,010**
Total Equity	**263**	**(142)**	**151**	**618**	**1,075**
Total Equity & Liabilities	**1,090**	**842**	**1,144**	**1,618**	**2,085**

* For full definitions of ***iQ***method℠ measures, see page 11.

Company Sector

Biotechnology

Company Description

Ascendis Pharma is a biopharmaceutical company located in Denmark. ASND is using its proprietary TransCon technology to develop long-acting formulations of currently available drugs. Its lead asset TransCon GH (Skytrofa) is approved for pediatric growth hormone deficiency. ASND also has TransCon PTH in treating hypoparathyroidism, CNP in treating achondroplasia (ph 3), and in collaborations to develop long acting drugs with Sanofi (in diabetes) and Roche (in ophthalmology).

Investment Rationale

We rate ASND shares Buy. We believe the company's lead asset, TransCon GH (Skytrofa), will address an area of undermet need for long-acting GH therapies. We also think TransCon PTH will be approved in US (approved in EU) based on phase 3 PaTHway data, accepted NDA with priority review but note potential delay in NDA review due to deficiencies identified by FDA. We note significant unmet need and opportunity for Skytrofa and TransCon PTH in GHD and HPT, respectively.

Stock Data

Average Daily Volume	699,920

Quarterly Earnings Estimates

	2023	2024
Q1	-1.98A	-1.86E
Q2	-2.16A	-1.65E
Q3	-2.88A	-1.27E
Q4	-2.34A	-0.81E

Abbreviations

EC: European Commission
GHD: growth hormone disease
GtN: gross-to-net
HPT: hypoparathyroidism
KOL: key opinion leader
LOS: likelihood of success
Mgmt: management
Op ex: operating expenses
PDUFA: Prescription Drug User Fee Act
Pts: patients
SOC: standard of care
WW: worldwide

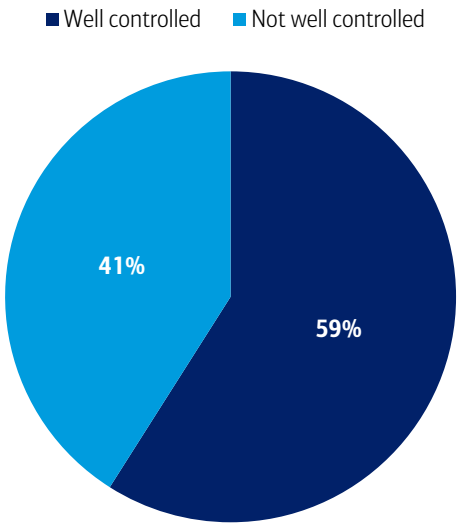
Our survey on TransCon PTH opportunity

We conducted a survey with endocrinologists to get a better understanding of TransCon PTH approval likelihood and potential early uptake expectations for chronic hypoparathyroidism (HPT) patients. We highlight the survey as particularly timely given the upcoming May 14th Prescription Drug User Fee Act (PDUFA) date. If positive, management guides to a 3Q commercial launch approximately 6-weeks after the decision (likely early-July). Recall, TransCon PTH was recently granted EU approval under brand name Yorvipath. ASND has guided to initially launching in Germany in January using their existing Skytrofa salesforce. Yorvipath will have an initial gross annual list price of around €105k. We are encouraged by the EU approval, which we think bodes well for a potential US approval. We currently assume a US likelihood-of-success (LOS) for the program of 80%. We model FY24 risk-adjusted WW sales of €53.4mn and peak risk-adjusted WW sales of €1.9bn in 2033.

We surveyed 25 KOLs who treat >1,200 HPT patients

Our survey included 25 endocrinologists across 18 different states who treat a total of 1,253 HPT patients with each physician treating on average ~59 patients. Our key opinion leaders (KOLs) highlighted that 91% of their patients are currently being treated with Calcitriol (active vitamin D) and/or calcium supplements with ~59% of those patients being classified as well-controlled maintaining a normal range of serum calcium of 8.3-10.6mg/dL (Exhibit 1). For patients not well-controlled with Calcitriol and/or calcium supplements, our respondents utilize a variety of treatments including magnesium (34%), thiazide diuretics (30%), Natpara (18%) and other (vitamin D3, tumor samples; 5%) (Exhibit 2).

Exhibit 1: Our respondents reported 59% of their patients are well-controlled on current SOC options
What percent of your patients are well-controlled on current SOC options?



Source: BofA Global Research survey
SOC: standard of care

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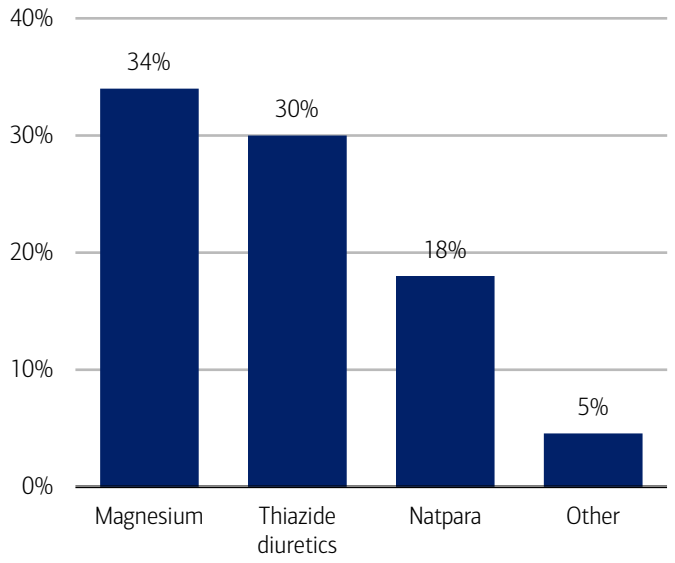
Exhibit 2: Therapies prescribed to uncontrolled HPT patients
Besides Calcitriol and calcium supplements, what other treatments do you utilize for uncontrolled patients?



Source: BofA Global Research survey
HPT: hypoparathyroidism

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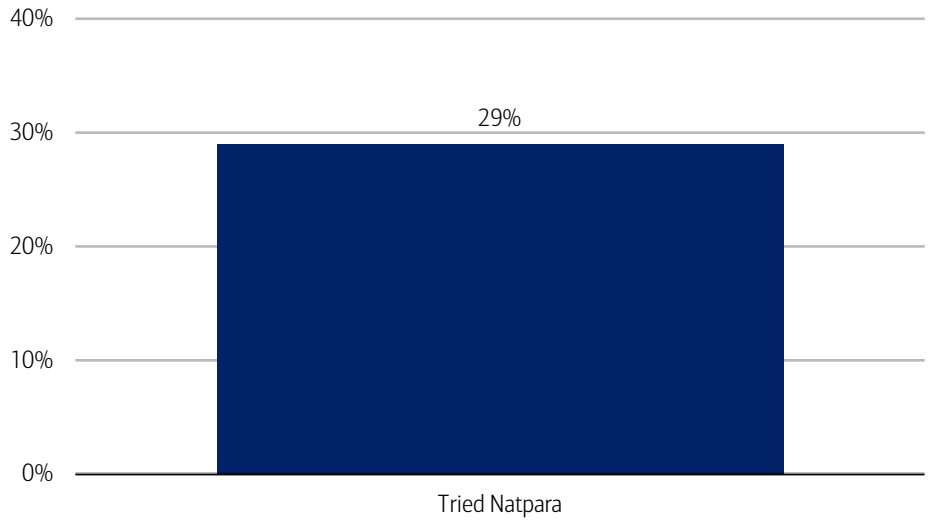
24/25 respondents have experience prescribing Natpara

We note that 24/25 of our survey respondent had prior experience prescribing Natpara to a total of 368 patients (Exhibit 3). Recall, Takeda (NYSE ticker: TAK) decided to call quits on manufacturing Natpara in 2022 following a string of manufacturing woes. Natpara will cease to be available starting the end of 2024. We note our respondents were largely disappointed with the therapy's removal from the market given the drug was fairly efficacious in a subset of PTH patients. Given Natpara will be removed from

the market by the end of the year, we asked our respondents to outline the unmet need in the HPT space with the general consensus being a high unmet need for a single medication that demonstrates a sustained and durable response treating hypocalcemia particularly in patients who are not well-controlled on standard of care (SOC).

Exhibit 3: Respondents reported Natpara usage for 29% of their patients
What percent of your patients tried Natpara?



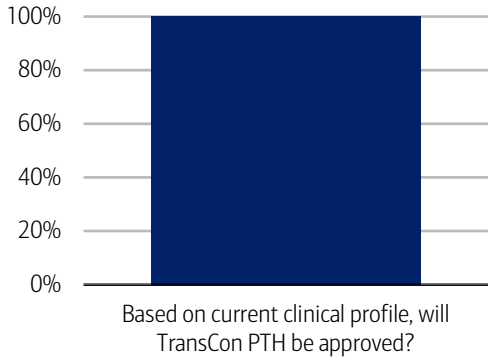
Source: BofA Global Research survey

BofA GLOBAL RESEARCH

100% of respondents believe TransCon PTH is likely to receive US approval

Ahead of the upcoming May 14th US PDUFA, we asked our respondents on the approvability of TransCon PTH for HPT patients with all 25 of the surveyed physicians responding 'Yes' (Exhibit 4). We also polled endocrinologists on their view of TransCon PTH's safety and efficacy profile from the phase 2 PaTH Forward and phase 3 PaTHway studies. On a scale of 1 to 5, with 1 meaning not satisfied to 5 meaning highly satisfied, 84% of our respondents viewed TransCon PTH's ability to raise PTH levels as ≥4 out of 5 as well as 96% of our respondents viewing TransCon PTH's ability to maintain normal serum calcium levels as ≥4 out of 5 (Exhibit 5). 100% of our respondents were overall satisfied with TransCon PTH's safety profile responding with at least a 3 out of 5. On durability, 88% of our KOLs were satisfied with TransCon PTH's 1-year durability data responding as ≥4 out of 5. Lastly, 88% of endocrinologists responding as ≥4 out of 5 on overall TransCon PTH clinical profile satisfaction with the remaining 12% responding with a 3 out of 5. We are highly encouraged by our respondents overall optimistic view on TransCon PTH's clinical profile.

Exhibit 4: Will TransCon PTH receive US approval?
100% of our respondents believe TransCon PTH will be approved



Source: BofA Global Research survey

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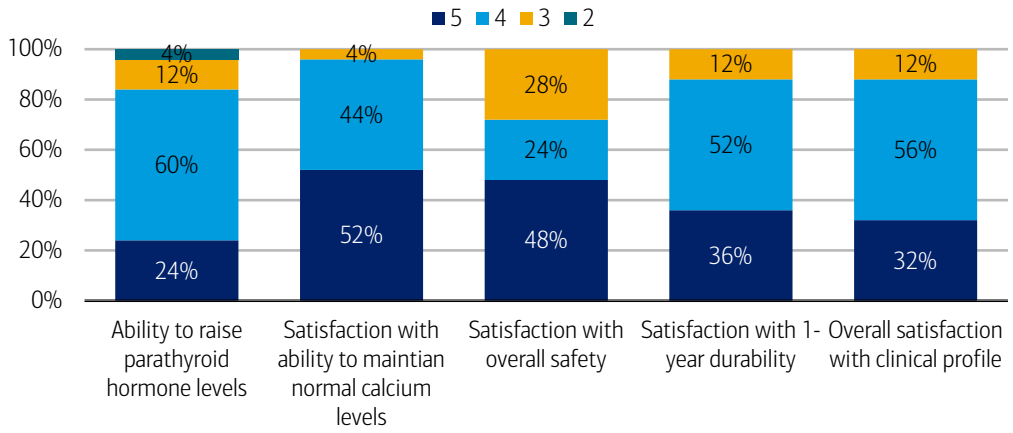
Exhibit 5: Overall positive view on TransCon PTH clinical profile
On a scale of 1 to 5 (1 – not satisfied, 5 – highly satisfied), rate your opinion of TransCon PTH's:



Source: BofA Global Research survey

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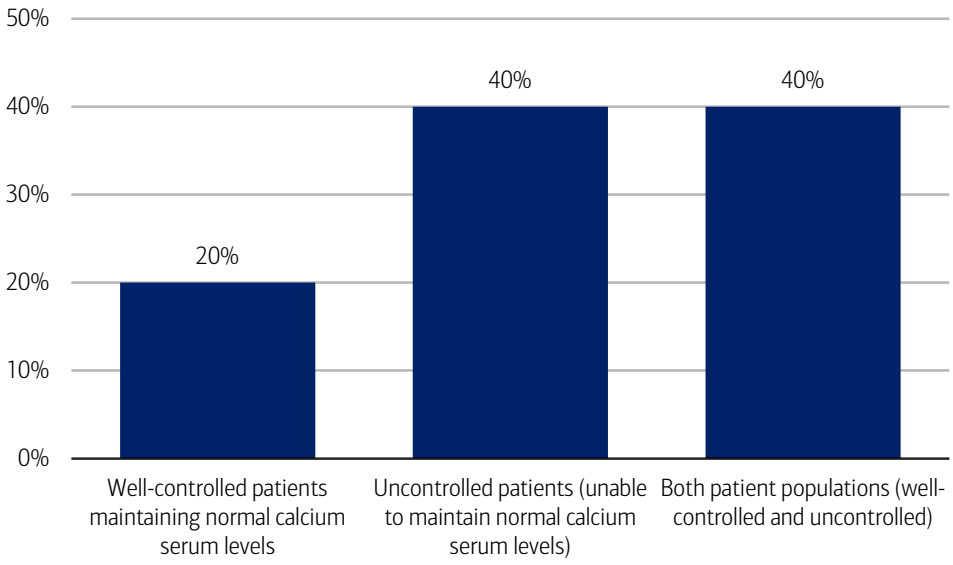
TransCon PTH would be most beneficial in uncontrolled HPT patients

We asked endocrinologists which HPT population would benefit from TransCon PTH and 40% would prescribe TransCon PTH to only uncontrolled patients who are unable to maintain normal calcium serum levels, 40% would prescribe to both uncontrolled and well-controlled HPT patients, and 20% would prescribe to only well-controlled HPT patients (Exhibit 6). However, we note there were inconsistencies with several respondents' answers. Given when asked about their predicted usage within the first 6-months of approval, several physicians who said they would only use TransCon PTH for uncontrolled HPT patients highlighted potential usage in well-controlled patients (Exhibit 7). Additionally, all of the respondents who said they would only use TransCon PTH for well-controlled patients commented that they would also use TransCon PTH for not-controlled patients. While we plan to follow-up with the respondents who had inconsistent responses, we are highly encouraged by the results and note higher focus on our KOLs expectations for real-world usage.

Exhibit 6: Our KOLs would offer TransCon PTH to both uncontrolled and well-controlled HPT patients
What patient population do you think would benefit from TransCon PTH treatment?



Source: BofA Global Research survey
HPT: hypoparathyroidism

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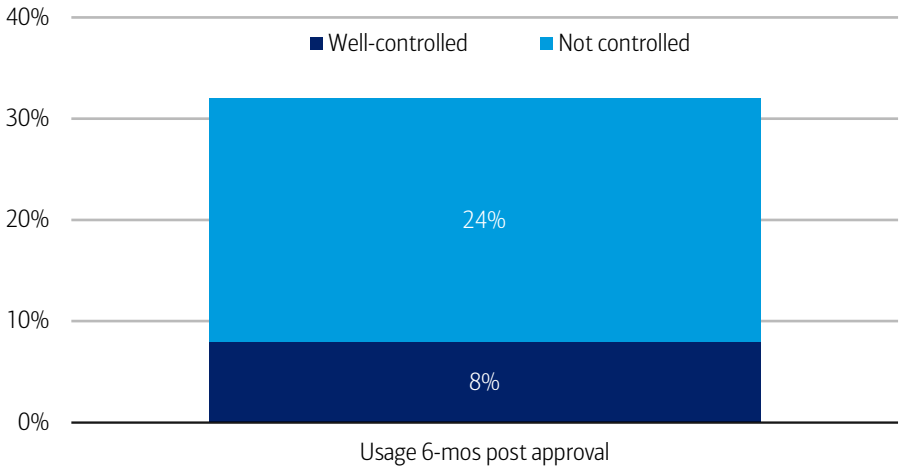
Exhibit 7: Respondents assume ~32% of patients to be on TransCon PTH in first 6-months
What will TransCon PTH usage be within 6-months of US approval?



Source: BofA Global Research survey

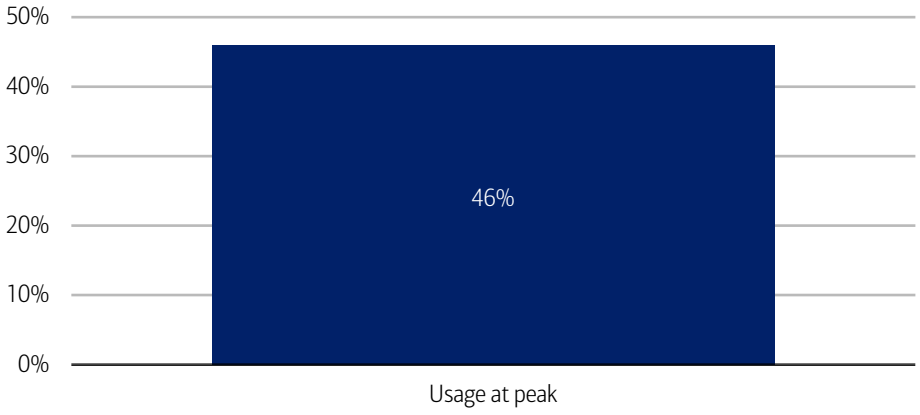
BofA GLOBAL RESEARCH

Physicians expect 32% of patients on TransCon PTH in the first 6-months

To better understand potential real-world TransCon PTH use, we asked our respondents how many of their patients they expect to have on TransCon PTH in the first 6-months after US commercial launch. Our respondents expect to have 32% (402/1253) of their patients on TransCon PTH within the first 6-months of launch (Exhibit 7). On patient population breakdown, ~76% of the initial bolus of patients would be uncontrolled patients and ~24% would be well-controlled patients. While we are encouraged by the predicted fast initial uptake that includes both uncontrolled and well-controlled patients, we expect insurance coverage / patient access will likely limit early uptake. As such, we note high focus on early US payer dynamics in the case of approval. When asked about usage at peak, our physicians highlighted they expect ~46% of their patients to be on TransCon PTH at peak based on currently available data (Exhibit 8). We note there was a lot of variability with some respondents reporting 5% peak usage and others 80%. We

also highlight 3/25 respondents noted potential concerns with long-term TransCon PTH usage citing focus on therapy tolerability in the real-world setting. In our model we estimate around 20% of the HPT patient population would be eligible for TransCon PTH and US/EU peak penetration of 30%/25%.

Exhibit 8: TransCon PTH prescribed to 46% of patients at peak
At peak, what percent of patients would you expect to prescribe TransCon PTH?



Source: BofA Global Research survey

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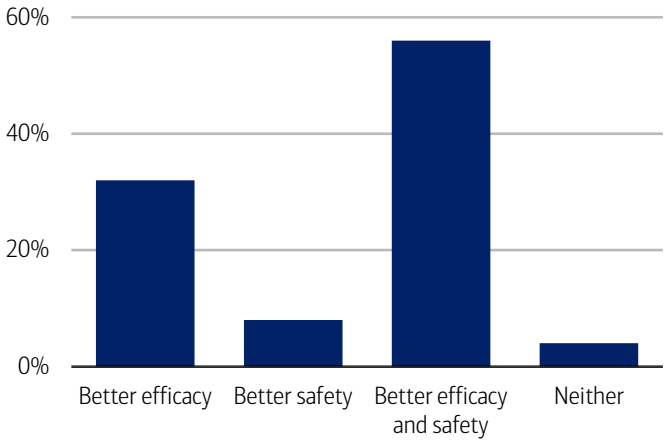
TransCon PTH viewed as an improvement over discontinued Natpara

When asked how TransCon PTH compares to Natpara, 56% believe TransCon PTH is superior on both efficacy and safety, 32% believe TransCon PTH is superior on just efficacy and 8% believe TransCon PTH is superior on just safety (Exhibit 9). Notably, only 1 respondent replied commenting that TransCon PTH was neither superior on efficacy nor safety. We note this respondent was otherwise bullish on TransCon PTH predicting 60% usage at peak for both uncontrolled and well-controlled patients. We polled endocrinologists on how many patients they would switch over to TransCon PTH that were previously on Natpara and found that on average 79% of patients would be switched over to TransCon PTH (Exhibit 10).

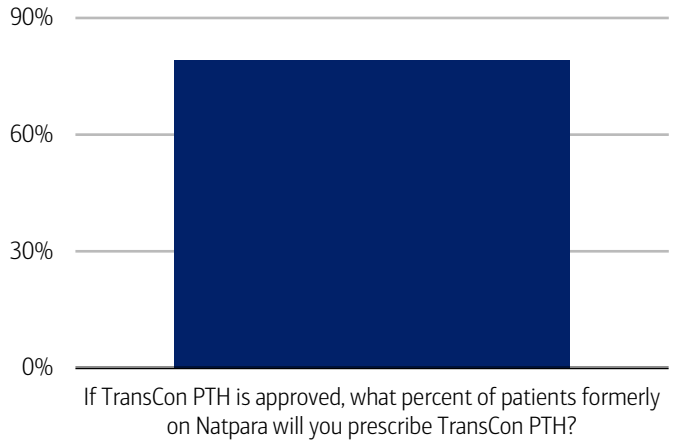
Exhibit 9: Majority believe TransCon PTH could be better than Natpara on both efficacy and safety
Where do you think TransCon PTH could be better than Natpara?



Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 10: Majority would switch patients to TransCon PTH from Natpara
If TransCon PTH is approved, what percent of patients formerly on Natpara will you prescribe TransCon PTH?



Source: BofA Global Research

BofA GLOBAL RESEARCH

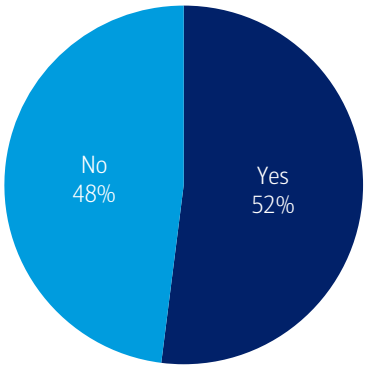
TransCon PTH daily injection regimen could be a deterrent for some patients

To gain a better understanding of TransCon PTH's perceived treatment burden, we asked our respondents if they think TransCon PTH's daily injection dosing profile is likely

to be a deterrent for some of their patients. Roughly half of our surveyed physicians (13/25) responded "Yes", expecting that on average ~24% of their patients would be hesitant to initiate therapy (n=13; Exhibit 11). We expect this number could change over time with real world usage but note there will likely always be a population of patients who are opposed to injection-dosed therapies.

Exhibit 11: Mixed opinions on if TransCon PTH's daily injection regimen could be a deterrent for some patients

Do you think TransCon PTH's daily injection dosing regimen could be a deterrent for some patients?



Source: BofA Global Research survey

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TransCon PTH approval could improve HPT diagnosis rates

We looked to also get a better understanding of whether endocrinologists believe HPT is underdiagnosed and we found that 68% of respondents (17/25) think HPT is underdiagnosed. Among respondents who think HPT is underdiagnosed, 82% think TransCon PTH approval would raise diagnosis rates estimating that on average diagnosis rates could increase ~22% (n=17).

Price objective basis & risk

Ascendis Pharma (ASND)

Our $156 price objective for ASND includes $49 for TransCon GH, $94 for TransCon PTH, $8 for oncology assets, and the remainder of value coming from net cash and pipeline. We use a 9% weighted-average cost of capital (WACC) for GH and 10% WACC for PTH, consistent with how we model other drugs in a similar development stage. We assume zero terminal value for all products, also consistent with our valuation of other covered companies.

Risks to our price objective are slower TransCon GH sales, higher-than-expected competition from other long-acting therapies, failure of PTH to advance to commercialization and pushback on pricing from payors.

Analyst Certification

I, Tazeen Ahmad, 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 - Biotechnology Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	4D Molecular Therapeutics, Inc.	FDMT	FDMT US	Tazeen Ahmad
	Alnylam Pharmaceuticals	ALNY	ALNY US	Tazeen Ahmad
	Amicus Therapeutics	FOLD	FOLD US	Tazeen Ahmad
	Annexon Biosciences	ANNX	ANNX US	Tazeen Ahmad
	Apellis Pharmaceuticals	APLS	APLS US	Tazeen Ahmad
	Argenx SE	ARGX	ARGX US	Tazeen Ahmad
	Arvinas	ARVN	ARVN US	Tazeen Ahmad
	Ascendis Pharma	ASND	ASND US	Tazeen Ahmad
	Biocryst Pharmaceuticals Inc	BCRX	BCRX US	Tazeen Ahmad
	BioNTech	BNTX	BNTX US	Tazeen Ahmad
	Denali Therapeutics	DNLI	DNLI US	Tazeen Ahmad
	Inozyme Pharma, Inc.	INZY	INZY US	Tazeen Ahmad
	Merus	MRUS	MRUS US	Tazeen Ahmad
	Neurocrine Biosciences	NBIX	NBIX US	Tazeen Ahmad
	PepGen Inc	PEPG	PEPG US	Tazeen Ahmad
	Prothena Corporation	PRTA	PRTA US	Tazeen Ahmad
	Rhythm Pharmaceuticals	RYTM	RYTM US	Tazeen Ahmad
	Sarepta Therapeutics	SRPT	SRPT US	Tazeen Ahmad
	Ultragenyx Pharmaceuticals	RARE	RARE US	Tazeen Ahmad
NEUTRAL				
	Acadia Pharmaceuticals	ACAD	ACAD US	Tazeen Ahmad
	Incyte Corporation	INCY	INCY US	Tazeen Ahmad
	SAGE Therapeutics	SAGE	SAGE US	Tazeen Ahmad
UNDERPERFORM				
	Achilles Therapeutics	ACHL	ACHL US	Tazeen Ahmad
	Fate Therapeutics	FATE	FATE US	Tazeen Ahmad
	Fulcrum Therapeutics	FULC	FULC US	Tazeen Ahmad
	Pharvaris	PHVS	PHVS US	Tazeen Ahmad
	PTC Therapeutics	PTCT	PTCT US	Tazeen Ahmad

iQmethod℠ Measures Definitions

Business Performance	Numerator	Denominator
Return On Capital Employed	NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization	Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill Amortization
Return On Equity	Net Income	Shareholders' Equity
Operating Margin	Operating Profit	Sales
Earnings Growth	Expected 5 Year CAGR From Latest Actual	N/A
Free Cash Flow	Cash Flow From Operations – Total Capex	N/A

Quality of Earnings	Numerator	Denominator
Cash Realization Ratio	Cash Flow From Operations	Net Income
Asset Replacement Ratio	Capex	Depreciation
Tax Rate	Tax Charge	Pre-Tax Income
Net Debt-To-Equity Ratio	Net Debt = Total Debt – Cash & Equivalents	Total Equity
Interest Cover	EBIT	Interest Expense

Valuation Toolkit	Numerator	Denominator
Price / Earnings Ratio	Current Share Price	Diluted Earnings Per Share (Basis As Specified)
Price / Book Value	Current Share Price	Shareholders' Equity / Current Basic Shares
Dividend Yield	Annualised Declared Cash Dividend	Current Share Price
Free Cash Flow Yield	Cash Flow From Operations – Total Capex	Market Cap = Current Share Price × Current Basic Shares
Enterprise Value / Sales	EV = Current Share Price × Current Shares + Minority Equity + Net Debt + Other LT Liabilities	Sales
EV / EBITDA	Enterprise Value	Basic EBIT + Depreciation + Amortization

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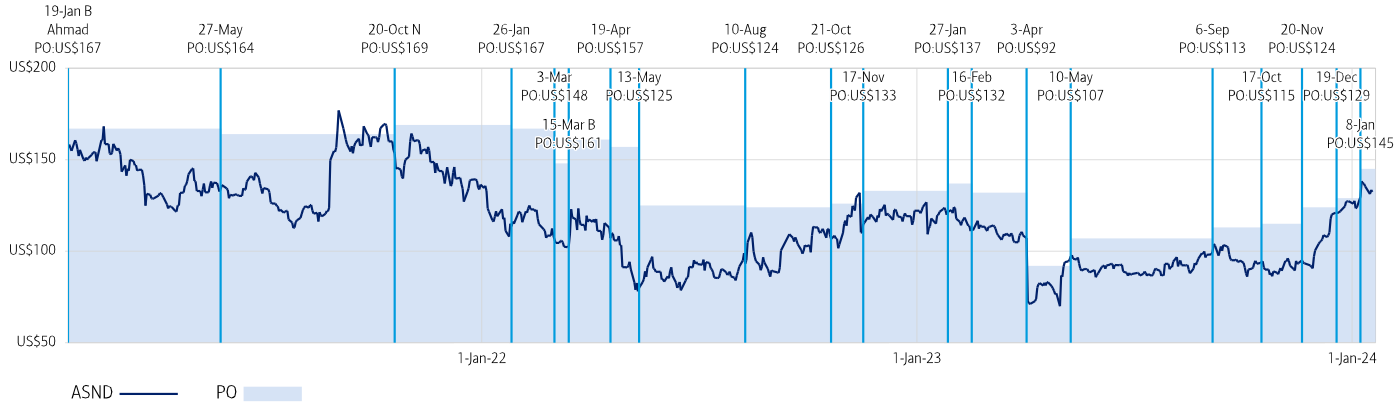
Important Disclosures

Ascendis (ASND) Price Chart



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: Health Care Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	234	60.94%	Buy	115	49.15%
Hold	80	20.83%	Hold	36	45.00%
Sell	70	18.23%	Sell	29	41.43%

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%

[R2] 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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