

Consumer & Retail

Spreads aren't frozen, everything else is

Industry Overview

Spreads cont. grinding, Consumer firm, but news frozen

Economic data remained strong and spreads inched tighter late last week amid lower expectations for a Fed cut in March. The **ICE BofA IG Corp Bond Index** tightened -1bp w/w, returning -0.93%. Non-Cyclicals were flat vs. Cyclicals -1bp, with returns of -1.15% & -1.09% respectively. December retail sales came in well above consensus (+0.6% vs +0.3% est.) but was more so driven by favorable seasonal adjustments rather than a true holiday uptick. Expect this to reverse in January. UofMich consumer sentiment in January reached 78.8 vs. consensus of 70.0 driven by easing inflation expectations. New issuance totaled \$49bn last week led by financials, while General Mills issued \$500mn for refinancing needs. This week \$15bn in supply is anticipated. [See link here](#) to our Issuance monitor with issuer-level supply expectations for 2024.

In **Retail (-1bp)**, the National Retail Federation (NRF) announced that holiday sales increased +3.8% y/y at the high-end of its +3-4% estimated growth. Overall 2023 retail sales increased +3.6% y/y, missing its estimate of +4-6% growth. VF Corp disclosed that the cybersecurity breach that occurred on December 13th is no longer ongoing and positively will not be financially material. This implies that orders & sales recovered exiting 3Q into 4Q, customers accepted late deliveries (helped by cold weather picking up post-Christmas), the retail & wholesale channel was already full with inventory, and/or previously reduced FY guidance had a cushion built-in. Spreads tightened 5-7bps on Friday. In **Food Retail (-4bps)**, Kroger, Albertsons, C&S Wholesale Grocers jointly announced that the Kroger/Albertsons merger is now expected to close in Kroger's 1H24 (ending Aug 17th, 2024) from prior expectations for an early 2024 close. We believe related bond issuance is likely delayed April at the earliest and is reliant on better insight around the FTC decision. The Washington state attorney general also officially filed a lawsuit to block the merger nationwide. We believe campaign politics play a role and while it impedes the deal from closing (unless carved out), states ultimately settle in alignment with federal recommendations. In convenience stores, we further detail 7-Eleven's recent results, guidance, & acquisition on page 3.

In **Consumer Products (flat)**, the Delaware Daubert hearing in the ongoing GSK/Zantac litigation is scheduled to begin January 22nd. Delaware has a history of following federal precedent and these are considered lower quality cases given they didn't qualify for consideration in the original federal MDL. GSK also trimmed its stake in Haleon this week by 3.2%; GSK now has a 4.2% stake in the company while Pfizer has a 32% stake. On Thursday, our equity counterparts will be hosting a call on Tobacco (-1bp) with the former CEO of Reynolds American (RAI) and we will be hosting a roundtable with Moody's Consumer Staples team.

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High Grade Credit
United States
Retailing & Consumer

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Exhibit 1: Market week ended 1/19/24

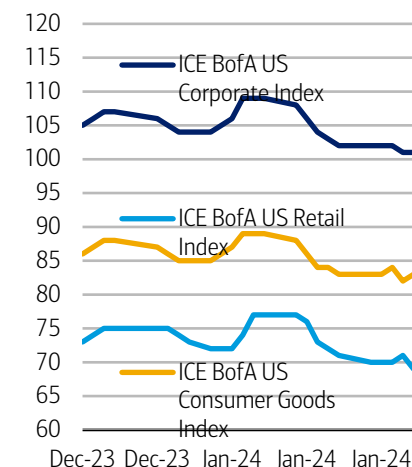
Last week's market performance

Market	Value	WoW
IG ICE BofA Index	101	(1)
IG ICE BofA Index (yld)	5.31	+17
HY ICE BofA Index	463	(2)
HY ICE BofA Index (yld)	7.93	+15
CDX IG 5yr	55	(0)
CDX HY 5yr	355	+2
Consumer Cyclicals	69	(1)
Consumer Non-Cyclicals	83	+0
5yr Treasury (yld)	4.05	+22
10yr Treasury (yld)	4.12	+18
30yr Treasury (yld)	4.33	+15
S&P 500 (index)	4,840	1.2%

Source: ICE Data Indices, LLC, Bloomberg
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Exhibit 2: Consumer/Retail Spreads

1mo spreads range-bound



Source: ICE Data Indices, LLC, Bloomberg
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Exhibit 3: Upcoming Consumer/Retail Events Calendar

2-week calendar of events, subject to change

January 2024				
Mon, Jan-22	Tue, Jan-23	Wed, Jan-24	Thu, Jan-25	Fri, Jan-26
	PG 2Q24 earnings	KMB 4Q23 earnings	MKC 4Q23 earnings	ADM 4Q23 earnings CL 4Q23 earnings
Mon, Jan-29	Tue, Jan-30	Wed, Jan-31	Thu, Feb-01	Fri, Feb-02
WHR 4Q23 earnings	DGELN 1H24 earnings SYN 2Q24 earnings SBUX 1Q24 earnings MDLZ 4Q23 earnings		BC 4Q23 earnings TSCO 4Q23 earnings MO 4Q23 earnings CLX 2Q24 earnings	CHD 4Q23 earnings

Source: Company filings, Bloomberg

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Exhibit 4: Notable Weekly Movers

CHD widened the most last week

Active Cash Trading				Active CDS			
Issuer		Chg (G-spread)		Issuer		Chg (G-spread)	
CHD	3.150% 8/1/2027	+9	DRI	3.850% 5/1/2027	-17	Whirlpool	143 4
EL	2.600% 4/15/2030	+7	MDLZ	2.250% 9/19/2024	-15	Best Buy	66 1
HAS	3.900% 11/19/2029	+6	HAS	5.100% 5/15/2044	-14	AutoZone	36 -1
VFC	2.950% 4/23/2030	+6	PVH	4.625% 7/10/2025	-14	Kroger	50 -1
COST	1.750% 4/20/2032	+5	CAG	5.400% 11/1/2048	-12	Tyson Foods	67 -2

Source: ICE Data Indices, LLC, Bloomberg

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Notable Consumer & Retail credit news**Retail**

VF Corp (VFC, Baa3/BBB/--) disclosed in an amended 8-K that the cybersecurity breach that occurred on December 13th is no longer ongoing and in a positive surprise, the total impact from the incident is “not material” and not reasonably likely to be material to financials. Despite material disruption to operations including replenishment of retail store inventory, delayed order fulfillment (leading to cancellations), lower e-commerce demand, and wholesale shipment delays, the update implies orders & sales recovered exiting 3Q into 4Q, customers accepted late deliveries (helped by cold weather picking up post-Christmas), the retail & wholesale channel was already full with inventory, and/or previously reduced FY guidance had cushion built in. VFC is still experiencing minor residual impacts from the cyber incident but is caught up on fulfilling orders that were delayed.

- VFC believes that the threat was removed from IT systems on December 15th though note that systems were still down as of the 8-K on Dec 18th. The company estimates that the threat actor stole personal data of ~35.5mn individual consumers.

The **National Retail Federation (NRF)** announced that total holiday retail sales (November through December, ex-autos, gas, restaurants) increased +3.8% y/y (\$964bn) at the high-end of the NRF’s projection of +3-4% growth. Online & other non-store sales increased +8.2% y/y, in-line with est. of +7-9%. The holiday sales result was driven by a resilient consumer, the easing price of goods, and a healthy labor market; pre-COVID holiday sales averaged +3.6% annual growth (2010-2019).

- Electronics & appliance stores (+9.3%), HPC (+9%), clothing & clothing accessory stores (+3%), and general merchandise stores (+2%) categories experienced greatest y/y growth (2-month combined, unadj.); building materials & garden supply stores (-3.9%), furniture & home furnishing stores (-6.2%) were the only negative categories

- Overall 2023 retail sales increased +3.6% y/y, missing the NRF's +4-6% est.

Food Retail

Seven & i Holdings (SEVENI) reported 3Q23 results including results from its overseas convenience store business **7-Eleven (SVELEV, Baa2/A/--)**. SVELEV revenues declined -9% y/y due to lower fuel sales (avg retail fuel price declines & lower gallons sold) and merchandise SSS down slightly y/y (-0.2%, including softer traffic). The company noted macroeconomic challenges eroding purchasing power and evolving consumer behavior becoming more cautious & value-oriented which has continued into 4Q, combined with increasing difficulty in pushing through price increases to offset operating costs. 1H24 is expected to remain challenging for the US consumer. EBITDA was flat y/y as lower fuel volumes & per gallon profitability were partially offset by sourcing & category mix helping merchandise gross margin and lower expenses via incentive comp (better than expectations). FY23 guidance was lowered slightly reflecting slightly weakening SSS and narrower margins (both merchandise & fuel) but consolidated SEVENI outlook was unchanged and in-line with consensus.

- SVELEV net leverage is 2.4x and in 3Q repaid \$150mn of term loan outstanding (\$3.2bn outstanding)
- FY23 guidance (SVELEV): a) same-store sales guidance lowered -10bps to +1.2%, b) merchandise margins lowered -10bps to +30bps, fuel margins outlook lowered but still expected to be overall stable, c) EBITDA outlook slightly lowered ~5bn yen, and d) capex \$1.2-1.3bn

Separately, SVELEV jointly announced the acquisition of 204 convenience and gasoline retail stores from Sunoco (across Western Texas, New Mexico, Oklahoma) for \$950mn or 12.9x EBITDA (Yr 1) or 10.9x at closing. The company highlighted that the retail market in the US is highly fragmented (SVELEV holds 8.3% market share, ahead of Alimentation Couche-Tard and Casey's General Stores) and as such they see opportunity to further expand through both acquisitions & organic growth. The company acquired the bulk of the Sunoco stores, excluding Stripes & Laredo Taco, back in 2018. SVELEV has historically had success with acquiring regional retail operators (around several hundred stores). The company commented that "[we have] deleveraged following the acquisition of Speedway, meaning we have debt capacity to aggressively participate in M&A if there's a good opportunity" and that it is seeing considerable deal flow activity in the U.S.

- The stores are large format facilities with fuel operations (63% merchandise GP and 37% fuel GP) and 68% of the real estate is owned

Kroger (KR, Baa1/BBB/--), Albertsons Cos (ACI), and C&S Wholesale Grocers jointly announced that the KR/ACI merger is now expected to close in Kroger's 1H24 (ending August 17th, 2024) vs. prior expectations for an early 2024 close due to continued dialogue with regulators. "While this is longer than we originally thought, we knew it was a possibility and our merger agreement and divestiture plan accounted for such potential timing."

Separately, Washington state attorney general Bob Ferguson officially filed a lawsuit to block the KR/ACI merger nationwide following headlines last week. Ferguson, who is also running for governor, asserts that the merger eliminates KR's closest competitor and decreases customer choice by significantly increasing the concentration of stores owned by the same company throughout Washington.

We hosted a call recently with our event-driven/merger arb specialists on the KR/ACI transaction. Please [reach out](#) if you missed it and would like to discuss takeaways.



Recent New Issuance

General Mills (Baa2/BBB) issued \$500mn 3yr Notes. The use of proceeds is to repay a portion of the 3.65% notes due February 15, 2024.

BofA Current Recommendations

Exhibit 7: Cash & CDS ratings

BofA cash & CDS ratings

Name	Ticker	Cash			CDS		
		Overweight	Marketweight	Underweight	Buy Protection	Neutral	Sell Protection
O'Reilly Automotive	ORLY	✓					
The Home Depot	HD		✓			✓	
Anheuser-Busch InBev SA/NV*	ABIBB		✓				
Advance Auto Parts	AAP		✓				
McCormick & Co	MKC	✓					
Campbell Soup Co.	CPB	✓				✓	
Sysco Corp.	SYT	✓					
Keurig Dr. Pepper	KDP	✓					
Lowe's	LOW	✓				✓	
Tyson Foods	TSN			✓		✓	
Conagra Brands	CAG		✓			✓	
Kellogg*	K		✓				
Kraft Heinz	KHC	✓					✓
General Mills Inc.	GIS		✓			✓	
AutoZone	AZO		✓			✓	
Kroger	KR		✓				✓
Nordstrom	JWN		✓				✓
Dollar General Corp.	DG		✓				
Mondelez International	MDLZ		✓				✓
Mondelez Int'l Holdings Netherlands	MDLZ		✓				
J.M. Smucker	SJM		✓				
The Coca-Cola Company	KO		✓				
PepsiCo	PEP		✓				
Pilgrim's Pride	PPC		✓				
Mattel	MAT		✓				
The Hershey Co.	HSY		✓			✓	

Source: BofA Global Research;

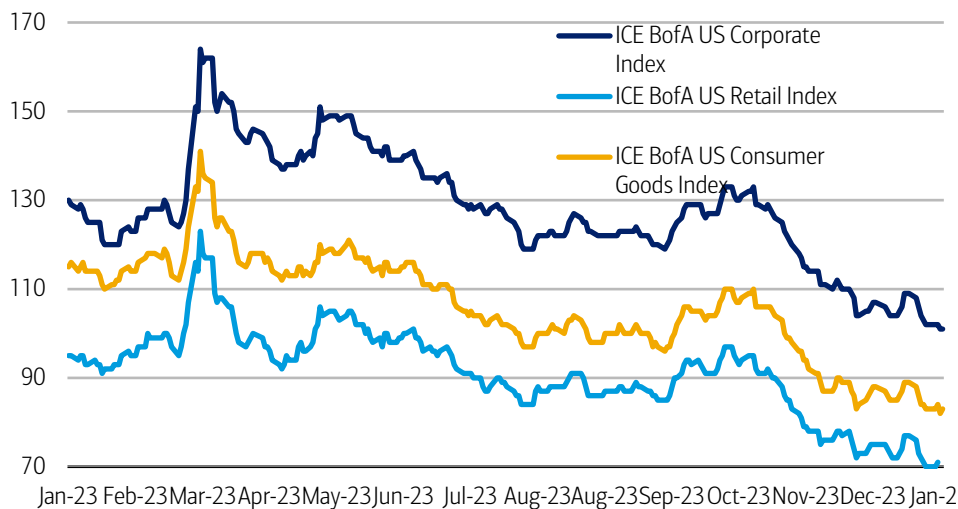
Notes (*): Underweight K long-end, Overweight ABIBB long-end (\$)

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Market Snapshot

Exhibit 6: BofA HG Index vs. Consumer/Retail Sectors

Consumer/Retail 1-year spread performance tightens after rate volatility, inflation pressure



Source: ICE Data indices, LLC

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**Exhibit 9: ICE Data Indices Investment Grade Index**

Benchmark spread and credit metrics by issuer

	Num of Issues	% of Index	Spreads (OAS)					Price	YTW	Modified Duration	Average Rating	Total Returns					Excess Returns				
			OAS	1 week	MTD	QTD	YTD					1 week	MTD	QTD	YTD	12 month	1 week	MTD	QTD	YTD	12 month
US Corporate Index	10,160	100.0%	101 bps	-1 bps	-3 bps	-3 bps	-3 bps	\$92.2	5.31%	6.7	A3	-0.93%	-1.03%	-1.03%	-1.03%	3.19%	25 bps	49 bps	49 bps	49 bps	420 bps
Rating Categories																					
AAA US Corporate Index	118	1.1%	35 bps	-1 bps	-5 bps	-5 bps	-5 bps	\$86.4	4.70%	9.2	AAA	-1.35%	-1.65%	-1.65%	-1.65%	-0.01%	22 bps	79 bps	79 bps	79 bps	347 bps
AA US Corporate Index	779	8.1%	53 bps	-2 bps	-3 bps	-3 bps	-3 bps	\$90.1	4.86%	7.2	AA3	-1.03%	-1.33%	-1.33%	-1.33%	1.38%	23 bps	41 bps	41 bps	41 bps	311 bps
Single-A US Corporate Index	4,111	43.5%	85 bps	-2 bps	-3 bps	-3 bps	-3 bps	\$92.5	5.16%	6.7	A2	-0.93%	-1.10%	-1.10%	-1.10%	2.56%	25 bps	42 bps	42 bps	42 bps	349 bps
BBB US Corporate Index	5,152	47.3%	124 bps	-2 bps	-5 bps	-5 bps	-5 bps	\$92.5	5.54%	6.6	BBB2	-0.91%	-0.91%	-0.91%	-0.91%	4.14%	26 bps	56 bps	56 bps	56 bps	504 bps
Maturity																					
1-3 Year US Corporate Index	2,088	22.8%	74 bps	0 bps	-2 bps	-2 bps	-2 bps	\$96.8	5.25%	1.8	A3	-0.29%	0.09%	0.09%	0.09%	4.72%	0 bps	8 bps	8 bps	8 bps	119 bps
3-5 Year US Corporate Index	1,780	18.6%	93 bps	-1 bps	0 bps	0 bps	0 bps	\$96.6	5.10%	3.5	A3	-0.61%	-0.30%	-0.30%	-0.30%	4.44%	9 bps	9 bps	9 bps	9 bps	249 bps
5-7 Year US Corporate Index	1,216	12.1%	106 bps	-1 bps	-2 bps	-2 bps	-2 bps	\$92.3	5.17%	5.2	BBB1	-0.94%	-0.72%	-0.72%	-0.72%	4.02%	9 bps	15 bps	15 bps	15 bps	355 bps
7-10 Year US Corporate Index	1,456	15.0%	125 bps	-3 bps	-1 bps	-1 bps	-1 bps	\$92.5	5.38%	6.8	A3	-1.01%	-1.32%	-1.32%	-1.32%	3.28%	28 bps	11 bps	11 bps	11 bps	454 bps
10-15 Year US Corporate Index	560	5.1%	122 bps	-4 bps	-8 bps	-8 bps	-8 bps	\$100.8	5.44%	8.7	A3	-1.26%	-1.39%	-1.39%	-1.39%	2.99%	30 bps	71 bps	71 bps	71 bps	593 bps
15+ Year US Corporate Index	3,060	26.3%	108 bps	-4 bps	-9 bps	-9 bps	-9 bps	\$84.5	5.51%	13.5	A3	-1.61%	-2.40%	-2.40%	-2.40%	0.61%	64 bps	144 bps	144 bps	144 bps	736 bps
Industry																					
US Corporate Index																					
Industrials	6,053	58.9%	93 bps	-1 bps	-4 bps	-4 bps	-4 bps	\$91.5	5.23%	7.4	A3	-1.07%	-1.23%	-1.23%	-1.23%	2.85%	24 bps	53 bps	53 bps	53 bps	452 bps
Consumer Cyclical	348	3.6%	69 bps	-1 bps	-3 bps	-3 bps	-3 bps	\$90.6	4.98%	7.7	A2	-1.09%	-1.36%	-1.36%	-1.36%	1.96%	27 bps	52 bps	52 bps	52 bps	390 bps
US Corp Retail	263	2.9%	66 bps	-1 bps	-3 bps	-3 bps	-3 bps	\$90.5	4.95%	7.7	A2	-1.08%	-1.35%	-1.35%	-1.35%	1.88%	28 bps	53 bps	53 bps	53 bps	383 bps
US Corp Food & Drug Retail	37	0.3%	110 bps	-4 bps	-4 bps	-4 bps	-4 bps	\$88.6	5.38%	7.6	BBB2	-0.97%	-1.24%	-1.24%	-1.24%	2.57%	36 bps	55 bps	55 bps	55 bps	398 bps
US Corp Restaurants	48	0.4%	65 bps	0 bps	-2 bps	-2 bps	-2 bps	\$92.8	4.98%	7.9	BBB1	-1.20%	-1.54%	-1.54%	-1.54%	1.96%	18 bps	39 bps	39 bps	39 bps	426 bps
Consumer Non-Cyclicals	601	5.6%	83 bps	0 bps	-2 bps	-2 bps	-2 bps	\$92.6	5.11%	7.4	A3	-1.15%	-1.31%	-1.31%	-1.31%	2.81%	16 bps	42 bps	42 bps	42 bps	436 bps
US Corp Beverage	164	1.8%	64 bps	0 bps	-2 bps	-2 bps	-2 bps	\$92.2	4.94%	8.4	A3	-1.33%	-1.70%	-1.70%	-1.70%	1.78%	15 bps	38 bps	38 bps	38 bps	450 bps
US Corp Food Wholesale	234	1.9%	88 bps	-1 bps	-2 bps	-2 bps	-2 bps	\$92.3	5.16%	7.0	BBB1	-1.06%	-1.28%	-1.28%	-1.28%	2.53%	18 bps	34 bps	34 bps	34 bps	373 bps
US Corp Tobacco	80	1.0%	122 bps	-1 bps	-7 bps	-7 bps	-7 bps	\$93.2	5.52%	6.9	BBB1	-1.02%	-0.71%	-0.71%	-0.71%	5.48%	20 bps	85 bps	85 bps	85 bps	629 bps
US Corp Consumer Products	123	0.9%	64 bps	0 bps	-1 bps	-1 bps	-1 bps	\$93.3	4.89%	6.5	A2	-1.10%	-1.26%	-1.26%	-1.26%	2.39%	8 bps	18 bps	18 bps	18 bps	303 bps

Source: BofA Global Research, Bloomberg

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Exhibit 10: Recent Sector New Issuance

Consumer/Retail new issuance tracker in reverse chronological order

Issue Date	Ticker	Issuer	Rating (Moody's/S&P)	Size	Coupon	Maturity	New Issue Spread
01/16/2024	GIS	GENERAL MILLS	Baa2/BBB	\$500	4.700%	01/30/2027	70
01/04/2024	BIMBOA	BIMBO BAKERIES USA	Baa1/BBB+	\$450	6.050%	01/15/2029	115
01/04/2024	BIMBOA	BIMBO BAKERIES USA	Baa1/BBB+	\$800	5.375%	01/09/2036	150
11/27/2023	HD	HOME DEPOT	A2/A	\$500	5.125%	04/30/2025	28
11/27/2023	HD	HOME DEPOT	A2/A	\$750	4.950%	09/30/2026	43
11/27/2023	HD	HOME DEPOT	A2/A	\$750	4.900%	04/15/2029	58
11/15/2023	TPR	TAPESTRY INC	Baa2/BBB	\$500	7.050%	11/27/2025	220
11/15/2023	TPR	TAPESTRY INC	Baa2/BBB	\$750	7.000%	11/27/2026	240
11/15/2023	TPR	TAPESTRY INC	Baa2/BBB	\$1,000	7.350%	11/27/2028	290
11/15/2023	TPR	TAPESTRY INC	Baa2/BBB	\$1,000	7.700%	11/27/2030	320
11/15/2023	TPR	TAPESTRY INC	Baa2/BBB	\$1,250	7.850%	11/27/2033	340
11/13/2023	ORLY	O'REILLY AUTOMOTIVE	Baa1/BBB	\$750	5.750%	11/20/2026	95
11/08/2023	PEP	PEPSICO	A1/A+	\$800	5.250%	11/10/2025	35
11/08/2023	PEP	PEPSICO	A1/A+	\$700	5.125%	11/10/2026	43
11/06/2023	SYN	SYSCO CORP	Baa1/BBB	\$500	5.750%	01/17/2029	120
11/06/2023	SYN	SYSCO CORP	Baa1/BBB	\$500	6.000%	01/17/2034	147
10/30/2023	BIMBOA	BIMBO BAKERIES USA	Baa1/BBB+	\$450	6.050%	01/15/2029	125
10/30/2023	BIMBOA	BIMBO BAKERIES USA	Baa1/BBB+	\$550	6.400%	01/15/2034	155
10/30/2023	MO	ALTRIA	A3/BBB	\$500	6.200%	11/01/2028	145
10/30/2023	MO	ALTRIA	A3/BBB	\$500	6.875%	11/01/2033	205
10/23/2023	GPC	GENUINE PARTS CO	Baa1/BBB	\$425	6.500%	11/01/2028	180
10/23/2023	GPC	GENUINE PARTS CO	Baa1/BBB	\$375	6.875%	11/01/2033	210
10/19/2023	AZO	AUTOZONE	Baa1/BBB	\$500	6.250%	11/01/2028	132
10/19/2023	AZO	AUTOZONE	Baa1/BBB	\$500	6.550%	11/01/2033	162
10/11/2023	SJM	JM SMUCKER	Baa2/BBB	\$750	5.900%	11/15/2028	130
10/11/2023	SJM	JM SMUCKER	Baa2/BBB	\$1,000	6.200%	11/15/2033	160
10/11/2023	SJM	JM SMUCKER	Baa2/BBB	\$750	6.500%	11/15/2043	163
10/11/2023	SJM	JM SMUCKER	Baa2/BBB	\$1,000	6.500%	11/15/2053	180
10/10/2023	GIS	GENERAL MILLS	Baa2/BBB	\$500	5.500%	10/17/2028	103
10/04/2023	DRI	DARDEN RESTAURANTS	Baa2/BBB	\$500	6.300%	10/10/2033	165
10/02/2023	DGELN	DIAGEO CAPITAL	A3/A-	\$800	5.375%	10/05/2026	60
10/02/2023	DGELN	DIAGEO CAPITAL	A3/A-	\$900	5.625%	10/05/2034	100
09/27/2023	PPC	PILGRIM'S PRIDE CORP	Ba2/BBB-	\$500	6.875%	05/15/2034	250
09/06/2023	NESNVX	NESTLE HOLDINGS	A3/AA-	\$500	5.000%	09/12/2028	57
09/06/2023	NESNVX	NESTLE HOLDINGS	A3/AA-	\$500	5.000%	09/12/2030	67
09/06/2023	NESNVX	NESTLE HOLDINGS	A3/AA-	\$500	5.000%	09/12/2033	77
09/05/2023	UNANA	UNILEVER CAPITAL CORP	A1/A+	\$700	4.875%	09/08/2028	55
09/05/2023	UNANA	UNILEVER CAPITAL CORP	A1/A+	\$800	5.000%	12/08/2033	85
09/05/2023	JBSSBZ	JBS USA	Baa3/BBB-	\$1,600	6.750%	03/15/2034	250
09/05/2023	JBSSBZ	JBS USA	Baa3/BBB-	\$900	7.250%	11/15/2053	290
09/05/2023	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$650	5.250%	09/07/2028	105
09/05/2023	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$700	5.500%	09/07/2030	135
09/05/2023	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$1,000	5.625%	09/07/2033	160
08/14/2023	MCD	MCDONALD'S CORP	Baa1/BBB+	\$600	4.800%	08/14/2028	68
08/14/2023	MCD	MCDONALD'S CORP	Baa1/BBB+	\$600	4.950%	08/14/2033	98
08/14/2023	MCD	MCDONALD'S CORP	Baa1/BBB+	\$800	5.450%	08/14/2053	128
07/31/2023	BATSLN	BRITISH AMERICAN TOBACCO	Baa2/BBB+	\$1,000	5.931%	02/02/2029	175
07/31/2023	BATSLN	BRITISH AMERICAN TOBACCO	Baa2/BBB+	\$1,000	6.343%	08/02/2030	225
07/31/2023	BATSLN	BRITISH AMERICAN TOBACCO	Baa2/BBB+	\$1,250	6.421%	08/02/2033	245
07/31/2023	BATSLN	BRITISH AMERICAN TOBACCO	Baa2/BBB+	\$750	7.079%	08/02/2043	285
07/31/2023	BATSLN	BRITISH AMERICAN TOBACCO	Baa2/BBB+	\$1,000	7.081%	08/02/2053	305
07/18/2023	AZO	AUTOZONE	Baa1/BBB	\$450	5.050%	07/15/2026	75
07/18/2023	AZO	AUTOZONE	Baa1/BBB	\$300	5.200%	08/01/2033	143
07/17/2023	CAG	CONAGRA BRANDS	Baa3/BBB-	\$500	5.300%	10/01/2026	100
06/06/2023	BACARD	BACARDI	Baa3/BBB-	\$400	5.250%	01/15/2029	140
06/06/2023	BACARD	BACARDI	Baa3/BBB-	\$700	5.400%	06/15/2033	175
06/06/2023	BACARD	BACARDI	Baa3/BBB-	\$400	5.900%	06/15/2043	190
06/05/2023	DG	DOLLAR GENERAL	Baa2/BBB	\$500	5.200%	07/05/2028	137
06/05/2023	DG	DOLLAR GENERAL	Baa2/BBB	\$1,000	5.450%	07/05/2033	177
05/09/2023	EL	ESTEE LAUDER	A1/A+	\$700	4.375%	05/15/2028	90
05/09/2023	EL	ESTEE LAUDER	A1/A+	\$700	4.650%	05/15/2033	115
05/09/2023	EL	ESTEE LAUDER	A1/A+	\$600	5.150%	05/15/2053	135
05/01/2023	HSY	HERSHEY	A1/A	\$350	4.250%	05/04/2028	67
05/01/2023	HSY	HERSHEY	A1/A	\$400	4.500%	05/04/2033	97
05/01/2023	TSCO	TRACTOR SUPPLY	Baa1/BBB	\$750	5.250%	05/15/2033	175
04/27/2023	STZ	CONSTELLATION BRANDS	Baa3/BBB	\$750	4.900%	05/01/2033	147

Source: BofA Global Research, Bloomberg Data excludes FRN

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**Exhibit 11: Retail Historical Spread & Return Monitor**

Benchmark spreads and credit metrics by issuer

	Credit Metrics																		
	Outstanding	Ratings	Current Pricing				5-yr	LTM				Net	Total Debt/	Net Debt/	EV /				
			Bid	YTW	G- spd	T- spd		CDS	Revenue	EBITDAR	Debt					Cash	FCF	EBITDAR	EBITDAR
Issuer	Coupon	Maturity	(\$mil)	Mdy/S&P/Fit	Outlook														
Walmart Inc (WMT)	4.100%	4/15/2033	\$1,500	Aa2 / AA / AA	S / S / S	\$96.7	4.54%	40	41	29	\$638,785	\$40,114	\$69,739	\$12,154	\$4,333	1.7x	1.4x	\$501,105	11.8x
Walmart Inc (WMT)	4.500%	4/15/2053	\$1,500	Aa2 / AA / AA	S / S / S	\$93.3	4.93%	58	56										
Costco Wholesale Corp (COST)	1.600%	4/20/2030	\$1,750	Aa3 / A+ / --	S / S / --	\$84.1	4.56%	46	48	40	\$238,710	\$10,798	\$8,884	\$13,700	\$4,818	0.8x	-0.5x	\$299,861	21.6x
Costco Wholesale Corp (COST)	1.750%	4/20/2032	\$1,000	Aa3 / A+ / --	S / S / --	\$80.8	4.57%	44	45										
Nike Inc (NKE)	2.850%	3/27/2030	\$1,500	A1 / AA- / --	S / S / --	\$90.7	4.60%	48	51	74	\$51,469	\$7,294	\$12,177	\$6,178	(\$2,558)	2.1x	1.3x	\$156,459	22.6x
Nike Inc (NKE)	3.375%	3/27/2050	\$1,500	A1 / AA- / --	S / S / --	\$77.6	4.91%	50	49										
Target Corp (TGT)	4.400%	1/15/2033	\$500	A2 / A / A	S / S / S	\$98.1	4.66%	52	53	41	\$106,518	\$7,783	\$18,442	\$1,910	\$1,518	2.4x	2.1x	\$81,210	13.3x
Target Corp (TGT)	4.800%	1/15/2053	\$1,150	A2 / A / A	S / S / S	\$94.9	5.14%	77	76										
TJX Companies Inc (TJX)	1.600%	5/15/2031	\$500	A2 / A / --	S / S / --	\$81.3	4.65%	51	54	199	\$52,326	\$8,340	\$2,861	\$4,290	\$1,465	1.5x	1.0x	\$117,068	13.2x
TJX Companies Inc (TJX)	4.500%	4/15/2050	\$385	A2 / A / --	S / S / --	\$91.3	5.11%	70	70										
Ralph Lauren Corp (RL)	2.950%	6/15/2030	\$750	A3 / A- / --	S / S / --	\$89.9	4.80%	69	71	--	\$6,503	\$882	\$2,882	\$1,382	(\$493)	3.3x	1.7x	\$10,233	7.0x
Amazon.com Inc (AMZN)	3.600%	4/13/2032	\$2,500	A1 / AA / AA-	S / S / S	\$93.1	4.62%	46	50										
Amazon.com Inc (AMZN)	3.950%	4/13/2052	\$2,500	A1 / AA / AA-	S / S / S	\$83.9	5.02%	62	64										
Ross Stores Inc (ROST)	1.875%	4/15/2031	\$500	A2 / BBB+ / --	S / S / --	\$81.3	4.99%	85	88	--	\$19,569	\$3,436	\$5,780	\$4,499	\$595	1.7x	0.4x	\$47,616	13.6x
Best Buy Co Inc (BBY)	1.950%	10/1/2030	\$650	A3 / BBB+ / --	S / S / --	\$82.3	5.11%	100	101	65	\$43,541	\$3,478	\$4,029	\$636	(\$239)	1.2x	1.0x	\$18,686	5.7x
Home Depot Inc (HD)	4.500%	9/15/2032	\$1,250	A2 / A / A	S / S / S	\$98.9	4.66%	52	53	26	\$153,714	\$26,741	\$49,255	\$2,058	\$1,810	2.0x	1.9x	\$407,890	13.1x
Home Depot Inc (HD)	4.950%	9/15/2052	\$1,000	A2 / A / A	S / S / S	\$97.6	5.11%	74	73										
Lowe's Companies Inc (LOW)	5.000%	4/15/2033	\$1,250	Baa1 / BBB+ / --	S / S / --	\$99.9	5.01%	87	87	39	\$90,219	\$14,739	\$40,053	\$1,531	(\$4,932)	2.7x	2.6x	\$165,053	10.8x
Lowe's Companies Inc (LOW)	5.625%	4/15/2053	\$1,500	Baa1 / BBB+ / --	S / S / --	\$102.6	5.44%	108	106										
VF Corp (VFC)	2.950%	4/23/2030	\$750	Baa3 / BBB / --	N / N / --	\$82.2	6.45%	234	236	167	\$11,391	\$1,521	\$8,151	\$499	(\$1,527)	5.4x	5.0x	\$13,413	9.0x
Tractor Supply (TSCO)	1.750%	11/1/2030	\$650	Baa1 / BBB+ / --	S / S / --	\$81.2	5.07%	95	97	--	\$14,902	\$2,323	\$4,977	\$422	(\$207)	2.1x	2.0x	\$29,536	13.0x
AutoZone Inc (AZO)	4.750%	8/1/2032	\$750	Baa1 / BBB / BBB	S / S / S	\$96.6	5.25%	111	112	37	\$17,457	\$4,471	\$7,669	\$277	(\$1,373)	2.3x	2.3x	\$58,991	12.4x
AutoZone Inc (AZO)	6.550%	11/1/2033	\$500	Baa1 / BBB / BBB	S / S / S	\$108.5	5.39%	124	125										
O' Reilly Automotive (ORLY)	1.750%	3/15/2031	\$500	Baa1 / BBB / --	S / S / --	\$80.2	5.09%	96	98	--	\$15,625	\$4,011	\$7,384	\$83	(\$533)	1.9x	1.9x	\$68,126	16.1x
O' Reilly Automotive (ORLY)	4.700%	6/15/2032	\$850	Baa1 / BBB / --	S / S / --	\$97.4	5.09%	95	96										
Genuine Parts Co. (GPC)	2.750%	2/1/2032	\$500	Baa1 / BBB / --	S / S / --	\$82.8	5.43%	129	131	--	\$23,028	\$2,387	\$4,237	\$655	(\$82)	2.3x	2.1x	\$23,518	12.4x
Genuine Parts Co. (GPC)	6.875%	11/1/2033	\$375	Baa1 / BBB / --	S / S / --	\$109.5	5.58%	143	144										
Advance Auto Parts (AAP)	3.900%	4/15/2030	\$500	Baa2 / BB+ / --	N / S / --	\$88.0	6.26%	215	218	--	\$11,296	\$1,350	\$4,462	\$318	(\$293)	3.3x	2.9x	\$7,471	7.8x
Advance Auto Parts (AAP)	3.500%	3/15/2032	\$501	Baa2 / BB+ / --	N / S / --	\$82.3	6.32%	221	220										
Dollar General Corp (DG)	5.450%	7/5/2033	\$1,000	Baa2 / BBB / --	S / S / --	\$100.0	5.45%	130	131	--	\$39,036	\$5,400	\$18,087	\$365	(\$1,160)	3.3x	3.3x	\$46,743	11.9x
Dollar General Corp (DG)	5.500%	11/1/2052	\$300	Baa2 / BBB / --	S / S / --	\$94.1	5.93%	155	155										
Dollar Tree Inc (DLTR)	2.650%	12/1/2031	\$800	Baa2 / BBB / --	S / S / --	\$83.5	5.24%	110	112	--	\$29,685	\$3,875	\$10,688	\$445	\$175	2.8x	2.6x	\$38,442	9.2x
Dollar Tree Inc (DLTR)	3.375%	12/1/2051	\$400	Baa2 / BBB / --	S / S / --	\$66.2	5.85%	146	146										
Tapestry Inc (TPR)	3.050%	3/15/2032	\$500	Baa2 *- / BBB / --	UR / N / --	\$78.5	6.48%	234	236	--	\$6,668	\$1,699	\$3,247	\$622	\$144	1.9x	1.5x	\$11,006	7.4x
Tapestry Inc (TPR)	7.850%	11/27/2033	\$1,250	Baa2 *- / BBB / --	UR / N / --	\$105.3	7.08%	292	294										
PVH Corp. (PVH)	4.625%	7/10/2025	\$499	Baa3 / BBB- / --	P / P / --	\$98.8	5.47%	74	89	--	\$9,217	\$1,463	\$3,660	\$358	(\$4)	2.5x	2.3x	\$10,505	5.7x
Dick's Sporting Goods (DKS)	3.150%	1/15/2032	\$750	Baa3 / BBB / --	S / S / --	\$84.0	5.68%	153	155	--	\$12,705	\$1,608	\$4,205	\$1,406	(\$64)	2.6x	1.7x	\$14,802	5.2x
Dick's Sporting Goods (DKS)	4.100%	1/15/2052	\$750	Baa3 / BBB / --	S / S / --	\$70.2	6.40%	201	201										
Nordstrom Inc (JWN)	4.250%	8/1/2031	\$425	Ba1 / BB+ / BB+	N / N / S	\$82.0	7.41%	321	330	199	\$14,592	\$1,473	\$4,496	\$375	\$189	3.1x	2.8x	\$7,045	4.8x
Nordstrom Inc (JWN)	5.000%	1/15/2044	\$966	Ba1 / BB+ / BB+	N / N / S	\$68.8	8.21%	362	372										
Kohl's Corporation (KSS)	4.625%	5/1/2031	\$500	Ba3 / BB / BBB-	N / N / N	\$77.5	8.89%	476	478	199	\$17,539	\$1,142	\$8,046	\$190	\$278	7.0x	6.9x	\$10,613	8.3x
Kohl's Corporation (KSS)	5.550%	7/17/2045	\$427	Ba3 / BB / BBB-	N / N / N	\$65.0	9.36%	481	489										

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 12: Restaurant, Food & Drug Retail Historical Spread & Return Monitor

Benchmark spread and credit metrics by issuer

																Credit Metrics			
			Outstanding	Ratings	Current Pricing			5-yr	LTM			Net	Total Debt/	Net Debt/	EV /				
Issuer	Coupon	Maturity	(\$mil)	Mdy/S&P/Fit	Outlook	Bid	YTW	G- spd	T- spd	CDS	Revenue	EBITDAR	Debt	Cash	FCF	EBITDAR	EBITDAR	EV	EBITDAR
Starbucks Corp (SBUX)	2.250%	3/12/2030	\$750	Baa1 / BBB+ / --	S / S / --	\$87.1	4.70%	60	61	--	\$35,976	\$8,741	\$24,600	\$3,953	\$426	2.8x	2.4x	\$127,344	14.1x
Starbucks Corp (SBUX)	2.550%	11/15/2030	\$1,250	Baa1 / BBB+ / --	S / S / --	\$87.2	4.77%	66	66										
Starbucks Corp (SBUX)	3.000%	2/14/2032	\$1,000	Baa1 / BBB+ / --	S / S / --	\$88.0	4.82%	69	70										
Starbucks Corp (SBUX)	4.800%	2/15/2033	\$500	Baa1 / BBB+ / --	S / S / --	\$99.7	4.84%	70	71										
Starbucks Corp (SBUX)	3.350%	3/12/2050	\$500	Baa1 / BBB+ / --	S / S / --	\$71.7	5.38%	96	96										
Starbucks Corp (SBUX)	3.500%	11/15/2050	\$1,250	Baa1 / BBB+ / --	S / S / --	\$74.1	5.33%	93	92										
McDonald's Corp (MCD)	3.600%	7/1/2030	\$1,000	Baa1 / BBB+ / --	S / S / --	\$93.7	4.74%	63	64	26	\$25,014	\$15,156	\$49,082	\$3,496	\$358	3.3x	3.1x	\$264,241	17.3x
McDonald's Corp (MCD)	4.600%	9/9/2032	\$750	Baa1 / BBB+ / --	S / S / --	\$99.4	4.69%	55	56										
McDonald's Corp (MCD)	4.950%	8/14/2033	\$600	Baa1 / BBB+ / --	S / S / --	\$100.4	4.90%	76	76										
McDonald's Corp (MCD)	4.200%	4/1/2050	\$750	Baa1 / BBB+ / --	S / S / --	\$84.5	5.30%	89	89										
McDonald's Corp (MCD)	5.150%	9/9/2052	\$750	Baa1 / BBB+ / --	S / S / --	\$97.7	5.31%	93	92										
McDonald's Corp (MCD)	5.450%	8/14/2053	\$800	Baa1 / BBB+ / --	S / S / --	\$102.3	5.30%	93	92										
Kroger Co (KR)	1.700%	1/15/2031	\$500	Baa1 / BBB / --	N / N / --	\$79.9	5.17%	104	106	51	\$147,798	\$7,946	\$19,839	\$1,725	\$1,330	2.5x	2.3x	\$51,146	6.2x
Kroger Co (KR)	5.400%	1/15/2049	\$600	Baa1 / BBB / --	N / N / --	\$96.6	5.65%	123	123										
Kroger Co (KR)	3.950%	1/15/2050	\$750	Baa1 / BBB / --	N / N / --	\$78.7	5.50%	108	108										
7-Eleven Inc. (SVELEV)	1.800%	2/10/2031	\$1,700	Baa2 / A / --	S / S / --	\$80.1	5.22%	111	111	--	--	--	--	--	--	--	--	--	--
7-Eleven Inc. (SVELEV)	2.800%	2/10/2051	\$1,250	Baa2 / A / --	S / S / --	\$62.3	5.49%	109	109										
Alimentation Couche-Tard (ATDBCN)	2.950%	1/25/2030	\$750	Baa1 / BBB+ / --	S / S / --	\$88.8	5.14%	103	106	--	\$68,368	\$5,791	\$9,466	\$1,405	(\$229)	1.6x	1.4x	\$67,473	10.1x
Alimentation Couche-Tard (ATDBCN)	3.625%	5/13/2051	\$350	Baa1 / BBB+ / --	S / S / --	\$70.9	5.75%	136	135										
Darden Restaurant Inc (DRI)	3.850%	5/1/2027	\$500	Baa2 / BBB / BBB	S / S / S	\$96.8	4.93%	76	80	46	\$10,772	\$3,875	\$8,965	\$192	(\$157)	3.4x	3.3x	\$25,821	12.8x
Darden Restaurant Inc (DRI)	6.300%	10/10/2033	\$500	Baa2 / BBB / BBB	S / S / S	\$105.2	5.59%	144	145										
Darden Restaurant Inc (DRI)	4.550%	2/15/2048	\$300	Baa2 / BBB / BBB	S / S / S	\$81.6	6.01%	157	157										
Albertson Cos Inc (ACI)	4.875%	2/15/2030	\$1,000	Ba3 *+ / BB+ *+ / --	-- / -- / --	\$95.1	5.84%	176	176	109	\$79,163	\$3,862	\$15,036	\$223	(\$3,537)	3.9x	3.8x	\$27,173	5.5x

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH





Exhibit 13: Consumer Products Historical Spread & Return Monitor

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing			5-yr CDS	LTM				Net FCF	Credit Metrics				
						Bid	YTW	G- spd		T- spd	Revenue	EBITDA	Debt		Cash	Total Debt/	Net Debt/	EV /	
Procter & Gamble (PG)	2.300%	2/1/2032	\$850	Aa3 / AA- / --	S / S / --	\$86.5	4.31%	17	18	28	\$83,265	\$22,375	\$35,880	\$9,733	\$2,091	1.6x	1.2x	\$375,086	18.1x
Procter & Gamble (PG)	4.050%	1/26/2033	\$850	Aa3 / AA- / --	S / S / --	\$97.4	4.40%	26	27										
Procter & Gamble (PG)	3.600%	3/25/2050	\$491	Aa3 / AA- / --	S / S / --	\$83.7	4.69%	28	27										
Colgate-Palmolive Co (CL)	3.250%	8/15/2032	\$500	Aa3 / AA- / --	S / N / --	\$90.9	4.54%	39	41	35	\$19,136	\$4,455	\$8,724	\$951	(\$136)	2.1x	1.9x	\$74,124	16.8x
Colgate-Palmolive Co (CL)	4.600%	3/1/2033	\$500	Aa3 / AA- / --	S / N / --	\$100.8	4.49%	34	36										
Colgate-Palmolive Co (CL)	3.700%	8/1/2047	\$500	Aa3 / AA- / --	S / N / --	\$83.4	4.89%	45	45										
Unilever Capital Corp (UNANA)	1.750%	8/12/2031	\$850	A1 / A+ / Au	S / S / S	\$81.3	4.73%	59	61	23	\$60,878	\$10,350	\$29,386	\$4,994	(\$284)	2.8x	2.4x	\$135,101	12.7x
Unilever Capital Corp (UNANA)	5.000%	12/8/2033	\$800	A1 / A+ / Au	S / S / S	\$101.3	4.83%	68	69										
Unilever Capital Corp (UNANA)	2.625%	8/12/2051	\$650	A1 / A+ / Au	S / S / S	\$64.8	4.99%	60	59										
Kimberly-Clark Corp (KMB)	2.000%	11/2/2031	\$600	A2 / A / --	S / S / --	\$82.9	4.65%	51	53	47	\$20,425	\$3,752	\$8,090	\$814	\$978	2.2x	2.0x	\$48,925	15.4x
Kimberly-Clark Corp (KMB)	4.500%	2/16/2033	\$350	A2 / A / --	S / S / --	\$98.5	4.70%	55	57										
Kimberly-Clark Corp (KMB)	2.875%	2/7/2050	\$500	A2 / A / --	S / S / --	\$68.4	5.08%	66	66										
SC Johnson & Son Inc (SCJOHN)	4.750%	10/15/2046	\$850	A- / BBB+ / --	S / N / --	\$89.5	5.57%	111	112	--	--	--	--	--	--	--	--	--	--
Estee Lauder Co Inc (EL)	4.650%	5/15/2033	\$700	A1 / A / --	N / N / --	\$97.9	4.94%	79	80	--	\$15,545	\$2,032	\$8,093	\$3,090	(\$283)	4.2x	3.0x	\$52,896	25.6x
Estee Lauder Co Inc (EL)	5.150%	5/15/2053	\$600	A1 / A / --	N / N / --	\$98.1	5.28%	92	90										
Kenvue (KVUE)	5.000%	3/22/2030	\$973	A1 / A / --	S / S / --	\$101.7	4.67%	54	58	--	\$14,950	\$3,624	\$8,198	\$1,062	\$2,119	2.3x	2.0x	\$45,076	12.4x
Kenvue (KVUE)	4.900%	3/22/2033	\$1,224	A1 / A / --	S / S / --	\$100.6	4.82%	68	69										
Kenvue (KVUE)	5.050%	3/22/2053	\$1,500	A1 / A / --	S / S / --	\$98.9	5.12%	74	75										
Reckitt Benckiser TSY (RKTLN)	3.000%	6/26/2027	\$2,500	A3 / A- / --	S / S / --	\$94.9	4.63%	46	51	--	£13,234	£3,239	£9,637	£1,259	£1,258	3.0x	2.6x	£53,852	16.6x
Church & Dwight Co Inc (CHD)	5.600%	11/15/2032	\$500	A3 / BBB+ / --	S / S / --	\$104.9	4.89%	74	76	--	\$5,776	\$1,307	\$2,405	\$573	\$792	1.9x	1.5x	\$25,879	17.7x
Church & Dwight Co Inc (CHD)	3.950%	8/1/2047	\$400	A3 / BBB+ / --	S / S / --	\$81.1	5.37%	91	93										
Church & Dwight Co Inc (CHD)	5.000%	6/15/2052	\$500	A3 / BBB+ / --	S / S / --	\$95.9	5.28%	90	90										
Clorox Company (CLX)	1.800%	5/15/2030	\$500	Baa1 / BBB+ / --	S / N / --	\$82.6	5.06%	95	97	76	\$7,035	\$1,074	\$2,913	\$518	\$247	2.9x	2.5x	\$20,497	15.8x
Clorox Company (CLX)	4.600%	5/1/2032	\$600	Baa1 / BBB+ / --	S / N / --	\$97.5	4.97%	83	84										
Haleon Plc (HLNLN)	3.625%	3/24/2032	\$1,998	Baa1 / BBB / --	S / -- / --	\$90.91	4.99%	86	87	--	£9,545	£2,413	£9,782	£405	£25	4.1x	3.9x	\$39,828	16.5x
Haleon Plc (HLNLN)	4.000%	3/24/2052	\$1,000	Baa1 / BBB / --	S / -- / --	\$81.5	5.27%	87	88										
Whirlpool Corp (WHR)	4.700%	5/14/2032	\$300	Baa1 / BBB / BBB	N / N / N	\$94.8	5.49%	134	136	142	\$19,290	\$1,489	\$7,664	\$1,123	(\$197)	5.3x	4.4x	\$13,480	7.4x
Whirlpool Corp (WHR)	5.500%	3/1/2033	\$300	Baa1 / BBB / BBB	N / N / N	\$99.4	5.58%	144	145										
Whirlpool Corp (WHR)	4.600%	5/15/2050	\$500	Baa1 / BBB / BBB	N / N / N	\$80.6	6.09%	168	168										
Hasbro Inc (HAS)	3.900%	11/19/2029	\$900	Baa2 / BBB / BBB-	N / N / S	\$92.4	5.45%	135	137	95	\$5,393	\$1,026	\$3,715	\$186	(\$146)	3.6x	3.5x	\$10,398	7.7x
Hasbro Inc (HAS)	5.100%	5/15/2044	\$300	Baa2 / BBB / BBB-	N / N / S	\$90.0	5.95%	147	147										
Brunswick Corp (BC)	2.400%	8/18/2031	\$550	Baa2 / BBB- / BBB	S / S / S	\$79.0	5.87%	173	175	199	\$6,622	\$1,083	\$2,635	\$331	(\$361)	2.4x	2.1x	\$8,193	5.7x
Brunswick Corp (BC)	4.400%	9/15/2032	\$450	Baa2 / BBB- / BBB	S / S / S	\$89.1	6.03%	188	190										
Brunswick Corp (BC)	5.100%	4/1/2052	\$300	Baa2 / BBB- / BBB	S / S / S	\$77.8	6.90%	251	251										
Mattel Inc (MAT)	3.750%	4/1/2029	\$600	Baa3 / BBB- / BB+	S / P / P	\$90.8	5.83%	175	177	247	\$5,222	\$679	\$2,672	\$456	\$256	3.9x	3.3x	\$8,496	7.8x
Newell Brands Inc (NWL)	6.625%	9/15/2029	\$500	Ba2 / BB / BB-	N / N / S	\$97.1	7.25%	318	318	409	\$8,342	\$1,226	\$6,010	\$396	(\$1,294)	4.9x	4.6x	\$8,670	9.1x
Newell Brands Inc (NWL)	6.500%	4/1/2046	\$666	Ba2 / BB / BB-	N / N / S	\$79.3	8.61%	418	415										

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 14: Packaged Food Spread & Return Monitor

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing				5-yr CDS	Revenue	EBITDA	Debt	Cash	FCF	Credit Metrics			
						Bid	YTW	G- spd	T- spd							Net	Total Debt/	Net Debt/	EV /
																EBITDA	EBITDA	EV	EBITDA
Nestle Holdings Inc. (NESNVX)	4.8500%	3/14/2033	\$650	Aa3 / AA- / A+	S / S / S	\$100.3	4.81%	58	67	29	CHF 95,498	CHF 16,476	CHF 53,501	CHF 3,667	(CHF 11,485)	3.2x	3.0x	\$316,076	18.5x
Nestle Holdings Inc. (NESNVX)	4.7000%	1/15/2053	\$1,000	Aa3 / AA- / A+	S / S / S	\$95.9	4.97%	61	59										
Hershey Company (HSY)	4.5000%	5/4/2033	\$400	A1 / A / --	S / S / --	\$98.8	4.66%	51	52	30	\$11,160	\$3,113	\$4,914	\$471	\$521	1.7x	1.6x	\$43,710	18.4x
Hershey Company (HSY)	2.6500%	6/1/2050	\$350	A1 / A / --	S / S / --	\$65.7	5.01%	59	59										
Mars Inc. (MARS)	1.6250%	7/16/2032	\$700	A1 / A+ / --	S / S / --	\$77.6	4.88%	74	75	--	--	--	--	--	--	--	--	--	--
Mars Inc. (MARS)	2.4500%	7/16/2050	\$400	A1 / A+ / --	S / S / --	\$59.6	5.31%	91	90										
Hormel Foods (HRL)	1.8000%	6/11/2030	\$1,000	A1 / A- / --	S / S / --	\$84.0	4.74%	63	64	--	\$12,195	\$1,325	\$3,481	\$737	\$172	2.6x	2.1x	\$19,487	14.3x
Hormel Foods (HRL)	3.0500%	6/3/2051	\$600	A1 / A- / --	S / S / --	\$68.6	5.22%	83	82										
Archer-Daniels-Midland Co (ADM)	4.5000%	8/15/2033	\$500	A2 / A / A	S / S / S	\$97.6	4.81%	68	67	41	\$97,188	\$3,306	\$10,288	\$1,498	(\$190)	3.1x	2.7x	\$44,726	10.9x
Archer-Daniels-Midland Co (ADM)	2.7000%	9/15/2051	\$750	A2 / A / A	S / S / S	\$64.8	5.09%	70	69										
Cargill Inc (CARGIL)	4.7500%	4/24/2033	\$500	A2 / A / A	S / S / S	\$97.0	5.16%	89	103	57	--	--	--	--	--	--	--	--	--
Cargill Inc (CARGIL)	4.3750%	4/22/2052	\$500	A2 / A / A	S / S / S	\$87.8	5.21%	80	82										
Danone SA (BNFP)	0.3950%	6/10/2029	\$800	Baa1 / BBB+ / --	S / S / --	\$86.4	3.18%	88	93	36	\$28,503	\$4,787	\$14,799	\$1,880	\$853	3.1x	2.7x	\$53,316	10.1x
Mondelez International Holdings Netherlands BV (MIHN)	1.2500%	9/24/2026	\$350	A3 / BBB / --	S / S / --	\$91.0	4.91%	64	70										
Mondelez International (MDLZ)	3.0000%	3/17/2032	\$750	Baa1 / BBB / --	S / S / --	\$87.0	4.96%	80	83	47	\$35,397	\$6,803	\$19,986	\$1,610	\$530	3.2x	2.9x	\$118,008	17.8x
Mondelez International (MDLZ)	2.6250%	9/4/2050	\$1,125	Baa1 / BBB / WD	S / S / --	\$63.3	5.19%	76	78										
Ingredion Inc (INGR)	2.9000%	6/1/2030	\$600	Baa1 / BBB / BBB	S / S / S	\$88.6	5.01%	93	92	--	\$8,226	\$1,148	\$2,406	\$335	\$123	2.2x	1.9x	\$9,283	8.4x
Ingredion Inc (INGR)	3.9000%	6/1/2050	\$400	Baa1 / BBB / BBB	S / S / S	\$72.5	5.99%	156	158										
Sysco Corporation (SYF)	2.4500%	12/14/2031	\$450	Baa1 / BBB / BBB	S / S / S	\$83.5	5.01%	87	89	59	\$76,818	\$3,954	\$11,698	\$569	\$739	3.0x	2.8x	\$49,097	11.4x
Sysco Corporation (SYF)	6.0000%	1/17/2034	\$500	Baa1 / BBB / BBB	S / S / S	\$106.6	5.12%	97	98										
Sysco Corporation (SYF)	3.1500%	12/14/2051	\$800	Baa1 / BBB / BBB	S / S / S	\$68.3	5.36%	96	96										
McCormick & Co (MKC)	4.9500%	4/15/2033	\$500	Baa2 / BBB / --	S / N / --	\$98.6	5.15%	101	101	--	\$6,605	\$1,311	\$4,777	\$155	\$344	3.6x	3.6x	\$22,092	24.0x
McCormick & Co (MKC)	4.2000%	8/15/2047	\$300	Baa2 / BBB / --	S / N / --	\$82.8	5.51%	107	107										
General Mills Inc (GIS)	4.9500%	3/29/2033	\$1,000	Baa2 / BBB / --	S / S / --	\$98.6	5.14%	99	100	38	\$20,281	\$4,109	\$12,282	\$491	(\$516)	3.1x	3.0x	\$48,172	14.8x
General Mills Inc (GIS)	3.0000%	2/1/2051	\$605	Baa2 / BBB / --	S / S / --	\$65.3	5.48%	107	108										
Kellanova (K)	5.2500%	3/1/2033	\$400	Baa2 / BBB / BBB	S / N / S	\$100.1	5.23%	106	110	67	\$15,866	\$2,536	\$7,674	\$1,099	\$440	3.7x	3.3x	\$25,286	12.7x
Kellanova (K)	4.5000%	4/1/2046	\$650	Baa2 / BBB / BBB	S / N / S	\$86.0	5.61%	113	115										
Flowers Foods Inc (FLO)	2.4000%	3/15/2031	\$500	Baa2 / BBB / BBB	S / S / S	\$83.2	5.24%	110	113	--	\$5,044	\$571	\$1,175	\$15	(\$29)	2.1x	2.0x	\$6,018	12.5x
JM Smucker Co (SJM)	6.2000%	11/15/2033	\$1,000	Baa2 / BBB / --	S / N / --	\$106.8	5.28%	114	114	--	\$8,461	\$1,668	\$4,495	\$241	(\$229)	2.6x	2.4x	\$17,603	11.5x
JM Smucker Co (SJM)	6.5000%	11/15/2053	\$1,000	Baa2 / BBB / --	S / N / --	\$111.3	5.70%	134	133										
Tyson Foods Inc (TSN)	4.3500%	3/1/2029	\$1,000	Baa2 / BBB / BBB	N / S / S	\$97.0	5.03%	97	98	66	\$52,999	\$2,149	\$9,506	\$573	(\$1,200)	4.4x	4.2x	\$28,507	11.4x
Tyson Foods Inc (TSN)	5.1000%	9/28/2048	\$1,500	Baa2 / BBB / BBB	N / S / S	\$88.6	5.99%	156	156										
Campbell Soup Co (CPB)	2.3750%	4/24/2030	\$500	Baa2 / BBB- / BBB *	S / S / --	\$85.6	5.08%	98	100	47	\$9,357	\$1,753	\$4,689	\$189	\$206	2.9x	2.8x	\$17,772	10.1x
Campbell Soup Co (CPB)	3.1250%	4/24/2050	\$500	Baa2 / BBB- / BBB *	S / S / --	\$65.5	5.67%	125	125										
Conagra Brands Inc (CAG)	7.0000%	10/1/2028	\$382	Baa3 / BBB- / BBB-	S / S / S	\$106.8	5.35%	123	129	47	\$12,277	\$2,586	\$9,274	\$93	\$61	3.6x	3.6x	\$22,759	11.1x
Conagra Brands Inc (CAG)	5.4000%	11/1/2048	\$1,000	Baa3 / BBB- / BBB-	S / S / S	\$93.1	5.93%	152	151										
Kraft Heinz Foods Co (KHC)	3.7500%	4/1/2030	\$741	Baa2 / BBB / BBB	S / P / S	\$94.4	4.80%	66	71	52	\$27,161	\$6,400	\$19,878	\$1,053	\$545	3.1x	2.9x	\$64,488	10.1x
Kraft Heinz Foods Co (KHC)	4.3750%	6/1/2046	\$2,786	Baa2 / BBB / BBB	S / P / S	\$84.9	5.56%	112	110										
Kraft Heinz Foods Co (KHC)	4.8750%	10/1/2049	\$1,450	Baa2 / BBB / BBB	S / P / S	\$91.4	5.51%	110	109										
JBS USA (JBSSBZ)	6.7500%	3/15/2034	\$1,600	Baa3 / BBB- / BBB-	S / S / S	\$104.3	6.16%	202	201	--	R\$ 360,341	R\$ 16,494	R\$ 101,338	R\$ 26,790	-R\$ 5,989	6.1x	4.5x	R\$ 145,912	4.0x
JBS USA (JBSSBZ)	7.2500%	11/15/2053	\$900	Baa3 / BBB- / BBB-	S / S / S	\$108.0	6.63%	227	225										
Pilgrim's Pride (PPC)	6.2500%	7/1/2033	\$1,000	Ba2 / BBB- / BBB-	S / N / S	\$101.9	5.98%	185	185	--	\$16,961	\$670	\$3,596	\$899	(\$17)	5.4x	4.0x	\$9,622	5.2x
Pilgrim's Pride (PPC)	6.8750%	5/15/2034	\$500	Ba2 / BBB- / BBB-	S / N / S	\$106.3	6.02%	187	187										
Smithfield Foods Inc (SFD)	2.6250%	9/13/2031	\$500	Ba1 / BBB- / BBB	S / S / S	\$76.4	6.61%	247	249	47	--	--	--	--	--	--	--	--	--

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH





Exhibit 15: Beverages Historical Spread & Return Monitor

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings	Mdy/S&P/Fit	Outlook	Current Pricing			5-yr CDS	LTM				Net FCF	Credit Metrics			
							Bid	YTW	G- spd		T- spd	Revenue	EBITDA	Debt		Cash	Total Debt/EBITDA	Net Debt/EBITDA	EV/EBITDA
The Coca-Cola Co. (KO)	2.250%	1/5/2032	\$2,000	A1 / A+ / WD	S / S / --	\$85.0	4.51%	38	39	47	\$45,031	\$16,079	\$40,171	\$11,883	\$1,741	2.5x	1.5x	\$284,914	21.5x
The Coca-Cola Co. (KO)	3.000%	3/5/2051	\$1,700	A1 / A+ / WD	S / S / --	\$71.9	4.88%	49	48										
Coca-Cola European Partners (CCEP)	1.500%	1/15/2027	\$500	Baa1 / -- / BBB+	S / -- / S	\$90.3	5.04%	84	89	--	\$18,017	\$3,096	\$11,907	\$1,112	\$1,539	3.8x	3.5x	\$38,246	11.1x
PepsiCo Inc (PEP)	4.450%	2/15/2033	\$1,000	A1 / A+ / --	S / S / --	\$99.6	4.50%	36	37	47	\$91,617	\$16,953	\$44,774	\$10,283	(\$550)	3.0x	2.4x	\$262,580	18.2x
PepsiCo Inc (PEP)	2.750%	10/21/2051	\$1,000	A1 / A+ / --	S / S / --	\$66.9	4.96%	58	57										
PepsiCo Inc (PEP)	4.650%	2/15/2053	\$500	A1 / A+ / --	S / S / --	\$94.5	5.01%	65	63										
Brown-Forman Corp (BFB)	4.500%	7/15/2045	\$500	A1 / A- / WD	S / S / --	\$90.0	5.28%	82	81	--	\$4,272	\$1,355	\$3,110	\$373	\$79	2.3x	2.1x	\$29,054	25.2x
Brown-Forman Corp (BFB)	4.750%	4/15/2033	\$650	A1 / A- / --	S / S / --	\$100.3	4.71%	57	57										
Diageo Investment Corp (DGELN)	5.500%	1/24/2033	\$750	A3 / A- / A-u	S / S / S	\$104.5	4.86%	72	73	29	£17,113	£6,120	£16,502	£1,439	-£1,382	2.7x	2.5x	£77,061	12.6x
Diageo Investment Corp (DGELN)	1.875%	6/8/2034	\$900	A3 / A- / A-u	S / S / S	\$86.3	3.47%	110	111										
Diageo Investment Corp (DGELN)	3.875%	4/29/2043	\$500	A3 / A- / A-u	S / S / S	\$83.2	5.28%	81	80										
Anheuser-Busch InBev Fin (ABIBB)	4.900%	1/23/2031	\$750	A3 / A- / --	S / S / --	\$101.3	4.68%	54	58	77	\$59,091	\$19,928	\$80,900	\$6,848	\$4,662	4.1x	3.7x	\$211,960	10.6x
Anheuser-Busch InBev Fin (ABIBB)	4.900%	2/1/2046	\$9,519	A3 / A- / --	S / S / --	\$95.7	5.24%	79	77										
Anheuser-Busch InBev Fin (ABIBB)	4.500%	6/1/2050	\$1,102	A3 / A- / --	S / S / --	\$90.6	5.15%	74	74										
Heineken NV (HEIANA)	1.750%	3/17/2031	\$750	A3 / BBB+ / --	S / S / --	\$89.4	3.45%	116	120	30	€ 29,725	€ 5,824	€ 19,857	€ 2,168	-€ 1,560	3.4x	3.0x	€ 73,032	11.6x
Heineken NV (HEIANA)	4.350%	3/29/2047	\$650	A3 / BBB+ / --	S / S / --	\$88.1	5.24%	79	79										
Pernod Ricard SA (RIFP)	1.625%	4/1/2031	\$900	Baa1 / BBB+ / BBB+	S/S/S	\$79.4	5.09%	95	97	77	€ 12,136	€ 3,765	€ 10,741	€ 1,624	(€ 427)	2.9x	2.4x	€ 47,586	16.7x
Pernod Ricard SA (RIFP)	2.750%	10/1/2050	\$500	Baa1 / BBB+ / BBB+	S/S/S	\$63.2	5.36%	93	95										
Suntory Holdings LTD (SUNTOR)	6.625%	7/15/2028	\$184	Baa1 / BBB+ / WD	S / S / --	\$105.7	5.19%	108	112	--	¥2,819	¥416	¥1,468	¥253	¥95	3.5x	2.9x		
JAB Holdings BV (JABHOL)	1.000%	7/14/2031	\$306	Baa1 / BBB+ / --	S / S / --	\$83.4	3.58%	128	133	--	--	--	--	--	--	--	--	--	--
JAB Holdings BV (JABHOL)	3.750%	5/28/2051	\$500	Baa1 / BBB+ / --	S / S / --	\$65.5	6.45%	204	205										
JAB Holdings BV (JABHOL)	4.500%	4/8/2052	\$500	Baa1 / BBB+ / --	S / S / --	\$75.1	6.42%	203	203										
Keurig Dr Pepper (KDP)	4.050%	4/15/2032	\$850	Baa1 / BBB / --	S / S / --	\$93.8	4.98%	85	86	--	\$14,750	\$4,116	\$12,860	\$260	(\$467)	3.1x	3.1x	\$58,686	15.5x
Keurig Dr Pepper (KDP)	3.350%	3/15/2051	\$500	Baa1 / BBB / --	S / S / --	\$70.4	5.45%	107	105										
Keurig Dr Pepper (KDP)	4.500%	4/15/2052	\$1,150	Baa1 / BBB / --	S / S / --	\$86.0	5.48%	110	110										
Constellation Brands Inc (STZ)	4.750%	5/9/2032	\$700	Baa3 / BBB / --	S / S / --	\$97.4	5.14%	101	102	96	\$9,786	\$3,486	\$11,707	\$83	\$686	3.2x	3.2x	\$58,374	15.8x
Constellation Brands Inc (STZ)	4.900%	5/1/2033	\$750	Baa3 / BBB / --	S / S / --	\$98.1	5.16%	101	102										
Constellation Brands Inc (STZ)	3.750%	5/1/2050	\$600	Baa3 / BBB / --	S / S / --	\$75.9	5.50%	108	108										
Molson Coors Brewing Co (TAP)	3.000%	7/15/2026	\$2,000	Baa2 / BBB / WD	P / S / --	\$95.5	4.93%	62	69	74	\$11,541	\$2,412	\$6,180	\$802	\$950	2.7x	2.3x	\$19,318	8.4x
Molson Coors Brewing Co (TAP)	4.200%	7/15/2046	\$1,800	Baa2 / BBB / WD	P / S / --	\$83.3	5.51%	106	105										
Bacardi LTD (BACARD)	5.400%	6/15/2033	\$700	Baa3 / BBB- / BBB-	-- / -- / --	\$99.4	5.49%	133	135	--	--	--	--	--	--	--	--	--	--
Bacardi LTD (BACARD)	5.900%	6/15/2043	\$400	Baa3 / BBB- / BBB-	-- / -- / --	\$99.8	5.92%	146	144										
Bacardi LTD (BACARD)	5.300%	5/15/2048	\$700	Baa3 / BBB- / BBB-	S / S / S	\$93.2	5.82%	139	139										
JDE Peet's NV (JDEPNA)	2.250%	9/24/2031	\$500	Baa3 / BBB- / BBB	S / S / S	\$79.0	5.67%	153	155	--	€ 8,243	€ 1,360	€ 4,967	€ 755	€ 522	3.7x	3.1x	€ 15,699	11.3x

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 16: Tobacco Historical Return & Spread Monitor

Benchmark spread and credit metrics by issuer

	Credit Metrics																			
	Outstanding			Ratings		Current Pricing			5-yr		LTM				Net	Total Debt/	Net Debt/		EV /	
						Bid	YTW	G- spd			T- spd	CDS	Revenue	EBITDA						Debt
	Issuer	Coupon	Maturity	(\$mil)	Mdy/S&P/Fit	Outlook	Bid	YTW	G- spd	T- spd	CDS	Revenue	EBITDA	Debt	Cash	FCF	EBITDA	EBITDA	EV	EBITDA
Japan Tobacco (JAPTOB)	2.250%	9/14/2031	\$625	A2 / A+ / --	S / -- / --	\$80.8	5.35%	121	123		¥2,806,302	¥875,721	¥1,018,639	¥869,042	¥136,212		1.2x	0.2x	¥316,076	0.4x
Japan Tobacco (JAPTOB)	3.300%	9/14/2051	\$400	A2 / A+ / --	S / -- / --	\$65.2	5.86%	145	146											
Philip Morris Intl Inc (PM)	1.750%	11/1/2030	\$750	A2 / A- / A	S / S / N	\$81.3	5.05%	90	94	47	\$34,359	\$14,111	\$47,715	\$3,017	(\$276)		3.5x	3.3x	\$189,743	13.4x
Philip Morris Intl Inc (PM)	5.750%	11/17/2032	\$1,500	A2 / A- / A	S / S / N	\$103.3	5.27%	114	114											
Philip Morris Intl Inc (PM)	5.375%	2/15/2033	\$2,250	A2 / A- / A	S / S / N	\$100.6	5.29%	115	116											
Philip Morris Intl Inc (PM)	5.625%	9/7/2033	\$1,000	A2 / A- / A	S / S / N	\$102.4	5.30%	115	116											
Philip Morris Intl Inc (PM)	4.250%	11/10/2044	\$1,250	A2 / A- / A	S / S / N	\$83.0	5.65%	117	117											
Altria Group (MO)	3.125%	6/15/2031	\$1,250	A3 / BBB / BBB	S / P / S	\$88.7	4.99%	270	274	47	\$20,561	\$12,131	\$25,098	\$1,537	\$641		2.1x	2.0x	\$94,941	7.8x
Altria Group (MO)	2.450%	2/4/2032	\$1,750	A3 / BBB / BBB	S / P / S	\$80.7	5.45%	132	133											
Altria Group (MO)	6.875%	11/1/2033	\$500	A3 / BBB / BBB	S / P / S	\$108.5	5.70%	156	156											
Altria Group (MO)	5.375%	1/31/2044	\$1,800	A3 / BBB / BBB	S / P / S	\$97.4	5.59%	111	110											
Altria Group (MO)	3.700%	2/4/2051	\$1,250	A3 / BBB / BBB	S / P / S	\$68.9	6.05%	166	165											
British American Tobacco (BATSLN)	2.726%	3/25/2031	\$1,250	Baa2 / BBB+ / BBB	P / N / P	\$82.75	5.69%	155	158	74	£28,227	£13,906	£42,169	£3,681	£2,318		3.0x	2.8x	\$89,972	6.5x
British American Tobacco (BATSLN)	7.750%	10/19/2032	\$600	Baa2 / BBB+ / BBB	P / N / P	\$111.3	6.04%	188	191											
British American Tobacco (BATSLN)	4.742%	3/16/2032	\$900	Baa2 / BBB+ / BBB	P / N / P	\$93.8	5.71%	155	159											
British American Tobacco (BATSLN)	6.421%	8/2/2033	\$1,250	Baa2 / BBB+ / BBB	P / N / P	\$102.9	6.01%	187	188											
British American Tobacco (BATSLN)	5.282%	4/2/2050	\$500	Baa2 / BBB+ / BBB	P / N / P	\$82.6	6.70%	228	228											
British American Tobacco (BATSLN)	3.984%	9/25/2050	\$1,000	Baa2 / BBB+ / BBB	P / N / P	\$68.6	6.47%	206	206											
British American Tobacco (BATSLN)	5.650%	3/16/2052	\$600	Baa2 / BBB+ / BBB	P / N / P	\$87.4	6.65%	225	226											
British American Tobacco (BATSLN)	7.081%	8/2/2053	\$1,000	Baa2 / BBB+ / BBB	P / N / P	\$104.5	6.73%	236	235											
Imperial Brands Fin Plc (IMBLN)	3.875%	7/26/2029	\$1,000	Baa3 / BBB / BBB	S / S / S	\$92.2	5.53%	145	147	79	£7,961	£4,073	£10,249	£596	(£186)		2.5x	2.4x	£25,561	6.3x

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH



Valuation & risk

Kroger Co. (KR)

Kroger (KR) is a best-in-class food retailer that maintains a competitive advantage vs. national and regional peers due to management's long-term investment in service, product quality, productivity, and technology. KR demonstrates conservative financial policies and balance sheet management, which has historically allowed valuation to trade closer to BBB non-cyclicals than grocery or drug retail, despite significantly lower margins. Bonds, rated Marketweight, fairly reflect the stability of the business model, EBITDA and cash flows offset by investment headwinds & new competitor risks. In CDS we are Sell Protection. Downside risks are intense competition, increased management willingness to pursue acquisitions or shareholder returns, deflationary pressure in consumables hurting IDs, and slow deleverage following the acquisition of Albertsons. Heavy pension obligations and labor negotiation risks remain a long-term headwind. Upside risks are increasing market share from additional fill-in opportunities, KR's superior positioning on price and format competitiveness.

Analyst Certification

I, Brian Callen, CFA, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Security/Loan pricing

Kroger Co. / KR

	Amt		Ratings			Yield	Spread
Security		Maturity date	Moody's/S&P/Fitch	Price	Price date	(%)	(bps)
8, Senior, USD, 2029:B	250	15-SEP-2029	Baa1/BBB/WD	113.15	19-Jan-2024	5.28	120
2.65, Senior, USD, 2026:B	750	15-OCT-2026	Baa1/BBB/WD	94.12	19-Jan-2024	4.98	72
3.7, Senior, USD, 2027:B	600	01-AUG-2027	Baa1/BBB/WD	96.48	19-Jan-2024	4.80	64
5.15, Senior, USD, 2043:B	400	01-AUG-2043	Baa1/BBB/WD	92.97	19-Jan-2024	5.75	128
4.45, Senior, USD, 2047:B	1,000	01-FEB-2047	Baa1/BBB/WD	85.95	19-Jan-2024	5.54	101
4.65, Senior, USD, 2048:B	500	15-JAN-2048	Baa1/BBB/WD	87.52	19-Jan-2024	5.60	108
5.4, Senior, USD, 2049:B	600	15-JAN-2049	Baa1/BBB/NR	97.23	19-Jan-2024	5.61	110
3.95, Senior, USD, 2050:B	750	15-JAN-2050	Baa1/BBB/NR	79.47	19-Jan-2024	5.43	95
2.2, Senior, USD, 2030:B	500	01-MAY-2030	Baa1/BBB/NR	84.74	19-Jan-2024	5.07	99
7.5, Senior, USD, 2031:B	440	01-APR-2031	Baa1/BBB/WD	113.38	19-Jan-2024	5.24	115
4, Senior, USD, 2024:B	500	01-FEB-2024	Baa1/BBB/WD	99.95	19-Jan-2024	5.65	35
Senior Unsecured, USD, Y5:CDS					20-Jan-2024		51

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Disclosures

Important Disclosures

Credit opinion history

Kroger Co. / KR

Company	Date ^{R1}	Action	Recommendation	
Kroger Co. / KR	31-Dec-2020		Marketweight	
	18-Oct-2022	Upgrade	Overweight	
	12-Sep-2023	Downgrade	Marketweight	
Security	Date ^{R1}	Action	Recommendation	Price
8, Senior, USD, 2029:B	31-Dec-2022		Overweight	
	12-Sep-2023	Downgrade	Marketweight	112.80
2.65, Senior, USD, 2026:B	31-Dec-2022		Overweight	
	12-Sep-2023	Downgrade	Marketweight	92.05
3.7, Senior, USD, 2027:B	31-Dec-2022		Overweight	



Kroger Co. / KR

Company	Date^{R1}	Action	Recommendation	
5.15, Senior, USD, 2043:B	12-Sep-2023	Downgrade	Marketweight	94.26
	31-Dec-2022		Overweight	
4.45, Senior, USD, 2047:B	12-Sep-2023	Downgrade	Marketweight	88.20
	31-Dec-2022		Marketweight	
4.65, Senior, USD, 2048:B	31-Dec-2022		Marketweight	
5.4, Senior, USD, 2049:B	31-Dec-2022		Marketweight	
3.95, Senior, USD, 2050:B	31-Dec-2022		Marketweight	
2.2, Senior, USD, 2030:B	31-Dec-2022		Overweight	
	12-Sep-2023	Downgrade	Marketweight	81.22
7.5, Senior, USD, 2031:B	31-Dec-2022		Overweight	
	12-Sep-2023	Downgrade	Marketweight	110.96
4, Senior, USD, 2024:B	31-Dec-2022		Overweight	
	12-Sep-2023	Downgrade	Marketweight	99.30
Senior Unsecured, USD, Y5:CDS	31-Dec-2022		Sell Protection	

Table reflects credit opinion history as of previous business day's close.^{R1} First date of recommendation within the last 36 months, if for an issuer or within the last 12 months, if for a security or loan. The investment opinion system is contained at the end of the report under the heading "BofA Global Research Credit Opinion Key."

Pricing information in the table is provided for each action where available. In the case of bonds, loans, capital securities and equity preferreds, the price shown reflects the nominal cash price for the security; and in the case of CDS, the price shown reflects the spread, on the date of the relevant action.

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BofA Global Research Credit Opinion Key

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Neutral: No purchase or sale of CDS is recommended.

Sell Protection: Sell CDS, therefore going long credit risk.

Corporate Credit Issuer Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R2}	Count	Percent
Buy	144	37.21%	Buy	119	82.64%
Hold	193	49.87%	Hold	163	84.46%
Sell	50	12.92%	Sell	37	74.00%

^{R2} 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 corporate credit issuer recommendations. A corporate credit issuer rated Overweight is included as a Buy, a corporate credit issuer rated Marketweight is included as a Hold, and a corporate credit issuer rated Underweight is included as a Sell.

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