

Weave

4Q23 Wrap: growth continues to accelerate

Reiterate Rating: BUY | PO: 15.00 USD | Price: 12.33 USD

Go-to-market execution driving continued momentum

Strong execution on the go-to-market side, paired with continued progress on the product integration front, led to WEAV's fourth consecutive quarter of accelerating topline growth. The company's newly introduced 2024 revenue guidance was above Street expectations, and 4Q results and management commentary suggest healthy conservatism – setting WEAV up to continue its beat/raise cadence.

Customer additions encouraging, increasing 24/25 rev ests

WEAV added 3,809 net new locations in 2023 (450 more than in 2022), ending the year with 31,000+ locations and accelerating net additions. Specialty Medical passes Veterinarian during the quarter as WEAV's third biggest vertical, an encouraging data point supporting the view that WEAV's efforts to expand into adjacent markets are beginning to bear fruit.

Results and guidance suggest robust 2024 outlook

Revenue of \$45.7mn (+21.2% Y/Y) was above our estimate of \$44.2mn and consensus of \$44.3mn. Adjusted OpM of -3.8% was above consensus of -5.0%. Net revenue retention (NRR) of 95% was flat sequentially, as was gross revenue retention (GRR) of 92%. WEAV introduced full-year 2024 revenue and non-GAAP income from operations guidance of \$196mn (Street at \$195mn) and -\$4mn (Street at -\$5.3mn) at the mid, respectively. In addition, WEAV introduced 1Q24 revenue guidance of \$45.7mn (+16% Y/Y), above BofAe and in line with the Street at \$44.7mn/\$45.7mn, and non-GAAP income from operations guidance of -\$2.0mn, above BofAe and the Street at -\$2.5mn/- \$2.2mn.

Reiterate Buy, raising PO to \$15 (from \$14)

We reiterate our Buy rating and raise our PO to \$15 (from \$14), which represents a 4.3x EV/C25Rev multiple (we roll forward our multiple from 4.7x 2024E), or 0.3x EV/Rev/Growth, a discount to the vertical software peer group at 5.3x and 0.5x respectively. We believe a discount is warranted based on WEAV's smaller scale and addressable market size.

Estimates (Dec) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	(0.48)	(0.12)	(0.08)	0.09	0.31
GAAP EPS	(0.76)	(0.46)	(0.46)	(0.33)	(0.12)
EPS Change (YoY)	79.5%	75.0%	33.3%	NM	244.4%
Consensus EPS (Bloomberg)			(0.07)	0.04	NA
DPS	0	0	0	0	0
Valuation (Dec)					
P/E	NM	NM	NM	137.0x	39.8x
EV / EBITDA*	NM	NM	NM	58.5x	24.8x
Free Cash Flow Yield*	-1.7%	1.0%	2.2%	4.0%	6.2%

* For full definitions of *IQmethod*SM measures, see page 9.

22 February 2024

Equity

Key Changes

(US\$)	Previous	Current
Price Obj.	14.00	15.00
2024E Rev (m)	192.9	198.0
2025E Rev (m)	220.1	229.4
2026E Rev (m)	NA	262.2
2024E EPS	-0.09	-0.08
2025E EPS	0.08	0.09
2026E EPS	NA	0.31

Michael J. Funk
Research Analyst
BofAS
+1 646 855 5664
michael.j.funk@bofa.com

Matt Bullock
Research Analyst
BofAS
+1 646 556 2903
matthew.bullock2@bofa.com

Stock Data

Price	12.33 USD
Price Objective	15.00 USD
Date Established	21-Feb-2024
Investment Opinion	C-1-9
52-Week Range	4.04 USD - 13.80 USD
Mrkt Val (mn) / Shares Out (mn)	860 USD / 69.7
Free Float	65.4%
Average Daily Value (mn)	6.36 USD
BofA Ticker / Exchange	WEAV / NYS
Bloomberg / Reuters	WEAV US / WEAV.N
ROE (2024E)	-6.3%
Net Dbt to Eqty (Dec-2023A)	-137.9%

ESGMeter™ **NLA**

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".

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

Refer to important disclosures on page 10 to 12. Analyst Certification on page 8. Price Objective Basis/Risk on page 8.

12662444

Timestamp: 22 February 2024 05:00AM EST

iQprofileSM Weave

iQmethodSM – Bus Performance*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Return on Capital Employed	-20.7%	-7.9%	-2.9%	3.8%	9.3%
Return on Equity	-31.7%	-10.1%	-6.3%	5.5%	14.1%
Operating Margin	-21.8%	-6.8%	-2.3%	3.2%	8.7%
Free Cash Flow	(15)	9	19	34	53

iQmethodSM – Quality of Earnings*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash Realization Ratio	NM	NM	NM	5.9x	2.5x
Asset Replacement Ratio	0.1x	0.1x	0.8x	0.8x	0.8x
Tax Rate	0.2%	0.8%	1.4%	NM	NM
Net Debt-to-Equity Ratio	-136.2%	-137.9%	-133.6%	-128.2%	-122.9%
Interest Cover	NA	NA	NA	NA	NA

Income Statement Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Sales	142	170	198	229	262
% Change	22.7%	19.9%	16.2%	15.8%	14.3%
Gross Profit	90	117	138	161	185
% Change	33.6%	30.7%	17.9%	16.7%	15.1%
EBITDA	(27)	(5)	0	12	29
% Change	18.6%	80.4%	91.0%	NM	135.9%
Net Interest & Other Income	0	4	(1)	(1)	(1)
Net Income (Adjusted)	(31)	(8)	(6)	7	24
% Change	35.6%	73.5%	30.1%	NM	259.2%

Free Cash Flow Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Income from Cont Operations (GAAP)	(50)	(31)	(32)	(26)	(14)
Depreciation & Amortization	14	12	6	7	8
Change in Working Capital	(10)	(8)	5	7	7
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	32	37	44	52	58
Capital Expenditure	(2)	(2)	(5)	(6)	(7)
Free Cash Flow	-15	9	19	34	53
% Change	47.2%	NM	119.6%	83.2%	54.7%
Share / Issue Repurchase	1	12	15	15	15
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	113	109	136	181	248
Trade Receivables	3	4	4	5	6
Other Current Assets	16	17	20	23	26
Property, Plant & Equipment	11	10	11	12	13
Other Non-Current Assets	65	61	61	62	62
Total Assets	208	201	233	283	354
Short-Term Debt	0	0	0	0	0
Other Current Liabilities	72	73	82	93	104
Long-Term Debt	0	0	0	0	0
Other Non-Current Liabilities	6	6	6	6	6
Total Liabilities	125	122	131	142	153
Total Equity	83	79	102	141	201
Total Equity & Liabilities	208	201	233	283	354

* For full definitions of iQmethodSM measures, see page 9.

Company Sector

Server & Enterprise Software

Company Description

Software-as-a-service vendor providing collaboration suite including sales, marketing, scheduling, messaging, forms and payments to small business customers with a focus on medical and home improvement verticals. Single platform with hardware (phone) component integrates with existing customer PMS, CRM and ERP software. Targeting small business verticals including dental, optometry, physical therapy, veterinary and audiology.

Investment Rationale

Weave's valuation is compelling relative to other vertical software vendors. Payments adoption and a shift to leasing equipment offer potential upside to our forecast and could drive faster revenue growth and margin expansion.

Stock Data

Average Daily Volume 515,650

Quarterly Earnings Estimates

	2023	2024
Q1	-0.05A	-0.04E
Q2	-0.05A	-0.03E
Q3	-0.01A	-0.01E
Q4	-0.01A	0E

Results and guidance suggest continued momentum

Revenue of \$45.7mn (+21.2% Y/Y) was above our estimate of \$44.2mn and consensus of \$44.3mn. Adjusted OpM of -3.8% was above consensus of -5.0%. Net revenue retention (NRR) of 95% was flat sequentially, as was gross revenue retention (GRR) of 92%. WEAV introduced full-year 2024 revenue and non-GAAP income from operations guidance of \$196mn (Street at \$195mn) and -\$4mn (Street at -\$5.3mn) at the mid, respectively. In addition, WEAV introduced 1Q24 revenue guidance of \$45.7mn (+16% Y/Y), above BofAe and in line with the Street at \$44.7mn/\$45.7mn, and non-GAAP income from operations guidance of -\$2.0mn, above BofAe and the Street at -\$2.5mn/-\$2.2mn.

Exhibit 1: WEAV beat our 4Q23 revenue estimate by 3.4%

WEAV 4Q23 variance analysis

\$ in Thousands	4Q23 Actuals	BofA Estimates	Variance (abs)	Variance (%)
Total Revenue	45,692	44,201	1,491	3.4%
Total Cost of revenue	13,862	13,570	292	2%
Adjusted Gross Profit	31,830	30,631	1,199	4%
Operating Expenses				
Sales and marketing	17,515	17,238	277	2%
Research and development	7,270	7,514	(244)	-3%
General and administrative	8,791	8,398	393	5%
Total Operating Expenses	33,576	33,151	425	1%
Adjusted EBITDA	(789)	(1,205)	416	-34%
Interest expense & Other, total	1,066	(223)	1,289	-578%
Pretax income (loss)	(680)	(2,742)	2,062	-75%
Provision for income taxes	-	-	-	-
Net income (loss) (GAAP)	(7,039)	(8,831)	1,792	-20%
Net income (non-GAAP)	(792)	(2,822)	2,030	-72%
Shares Outstanding (diluted)	69,715	69,613	102	0%
Growth Analysts Y-Y				
Total Revenue	21%	17%	4%	23%
COGS	11%	8%	2%	28%
Gross profit	27%	22%	5%	22%
Operating Income	-59%	-40%	-18%	45%
Net Income	-79%	-25%	-54%	221%
EPS - Pro Forma	-80%	-29%	-51%	177%
Margin Analysis				
Gross Margin	70%	69%	0%	1%
Sales & Marketing	38%	39%	-1%	-2%
Research & Development	16%	17%	-1%	-6%
General & Administrative	19%	19%	0%	1%
Operating Margin	-4%	-6%	2%	-33%
EBITDA margin	-2%	-3%	1%	-37%
Pretax margin	-1%	-6%	5%	-76%
Pro forma tax rate	-16%	-3%	-14%	0%
Net Margin	-2%	-6%	5%	-73%
Balance Sheet & Cash Flow Analysis				
Cash & equivalents	108,844	120,626	(11,782)	-10%
Cash flow from operations	3,742	2,313	1,429	62%
Free cash flow	2,935	1,345	1,590	118%

Source: BofA Global Research estimates, company filings

BofA GLOBAL RESEARCH



Exhibit 2: We are increasing our 2024 and 2025 revenue estimates

WEAV estimate changes

	1Q24E				2024E				2025E			
	Previous Estimate	Previous Y/Y Growth	New Estimate	New Y/Y Growth	Previous Estimate	Previous Y/Y Growth	New Estimate	New Y/Y Growth	Previous Estimate	Previous Y/Y Growth	New Estimate	New Y/Y Growth
Total Revenue	\$44,708	13.0%	\$45,895	16.0%	\$192,876	14.1%	\$198,013	16.2%	\$220,108	14.1%	\$229,392	15.8%
Gross Profit	\$30,671	14.7%	\$31,485	17.7%	\$134,182	15.8%	\$137,960	17.9%	\$154,226	14.9%	\$160,962	16.7%
Operating income	(2,492)	NA	(2,239)	NA	(4,986)	NA	(4,567)	NA	6,411	NA	7,305	NA
Non-GAAP EPS - diluted	(\$0.04)	NA	(\$0.04)	NA	(\$0.09)	NA	(\$0.08)	NA	\$0.08	NA	\$0.09	NA

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Exhibit 3: We expect 2024 revenues of \$198mn

WEAV income statement

\$ Thousands	YEAR FY22A	YEAR FY23A	Mar 1Q24E	Jun 2Q24E	Sept 3Q24E	Dec 4Q24E	YEAR FY24E	YEAR FY25E	YEAR FY26E
Total Revenue	142,117	170,468	45,895	48,334	50,598	53,185	198,013	229,392	262,190
Y/Y rev growth	22.7%	19.9%	16.0%	16.0%	16.2%	16.4%	16.2%	15.8%	14.3%
Cost of revenue	52,553	53,406	14,410	15,032	15,008	15,604	60,053	68,431	76,908
Adjusted Gross Profit	89,564	117,062	31,485	33,302	35,590	37,581	137,960	160,962	185,282
Operating Expenses									
Sales and marketing	61,976	66,532	18,396	19,092	19,581	20,210	77,279	84,946	91,851
Research and development	26,138	28,450	7,068	7,637	8,096	8,244	31,044	32,523	33,240
General and administrative	32,401	33,623	8,261	8,458	8,602	8,882	34,203	36,187	37,431
Total Operating Expenses	120,515	128,605	33,725	35,187	36,279	37,936	142,526	153,656	162,522
Income (Loss) from Operations	(30,951)	(11,543)	(2,239)	(1,885)	(689)	246	(4,567)	7,305	22,760
Add: Depreciation and Amortization	3,749	3,697	924	933	934	937	3,728	3,735	3,736
Add: Interest and taxes	157	(789)	423	423	423	423	1,692	1,692	1,692
Add: SBC	18,752	22,823	6,126	6,686	6,965	7,262	27,039	31,402	33,270
Adjusted EBITDA	(27,079)	(5,300)	(1,285)	(931)	353	1,385	(479)	12,465	29,408
Other income (expense)	138	3,532	200	200	200	200	800	800	800
Interest expense	(68)	63	(423)	(423)	(423)	(423)	(1,692)	(1,692)	(1,692)
Other income (expense) total	70	3,595	(223)	(223)	(223)	(223)	(892)	(892)	(892)
Pretax income (loss)	(30,881)	(7,948)	(2,462)	(2,108)	(912)	23	(5,459)	6,413	21,868
Provision for income taxes	104	260	170	179	93	(2)	440	(625)	(2,112)
Net income (loss)	(30,985)	(8,208)	(2,633)	(2,287)	(1,005)	25	(5,899)	7,038	23,980
Preferred stock dividends	-	-	-	-	-	-	-	-	-
Net loss attributed to common	(30,985)	(8,208)	(2,633)	(2,287)	(1,005)	25	(5,899)	7,038	23,980
Foreign currency translation	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss)	(30,985)	(8,208)	(2,633)	(2,287)	(1,005)	25	(5,899)	7,038	23,980
EPS (Non-GAAP)	(\$0.48)	(\$0.12)	(\$0.04)	(\$0.03)	(\$0.01)	\$0.00	(\$0.08)	\$0.09	\$0.31

Exhibit 3: We expect 2024 revenues of \$198mn
WEAV income statement

\$ Thousands	YEAR	YEAR	Mar	Jun	Sept	Dec	YEAR	YEAR	YEAR
Shares outstanding (basic)	65,084	67,695	70,515	71,315	72,115	72,915	71,715	74,915	78,115
Shares outstanding (diluted)	65,084	67,695	70,515	71,315	72,115	72,915	71,715	74,915	78,115

Source: BofA Global Research estimates, company filings

BofA GLOBAL



Exhibit 4: WEAV ended 2023 with \$109mn in cash and equivalents

WEAV balance sheet

\$ Thousands	YEAR FY21A	YEAR FY22A	YEAR FY23A	Mar 1Q24E	Jun 2Q24E	Sept 3Q24E	Dec 4Q24E	YEAR FY24E	YEAR FY25E	YEAR FY26E
Current assets:										
Cash and cash equivalents	135,996	61,997	50,756	52,182	60,279	69,198	77,886	77,886	123,318	189,571
ST investments	-	51,340	58,088	58,088	58,088	58,088	58,088	58,088	58,088	58,088
Accounts receivable	3,059	3,296	3,511	3,649	3,872	4,070	4,213	4,213	4,874	5,562
Deferred contract acquisition costs, net	8,931	9,881	10,547	11,202	11,653	12,090	12,697	12,697	14,662	16,720
Prepaid expenses and other current assets	6,461	6,374	6,876	6,308	6,528	7,063	7,480	7,480	8,508	9,686
Total current assets	154,447	132,888	129,778	131,429	140,419	150,509	160,364	160,364	209,450	279,627
Non-current assets:										
Property and equipment, net	24,502	10,773	9,922	10,192	10,492	10,801	11,093	11,093	12,140	13,029
Operating lease right-of-use	-	45,110	41,318	41,318	41,318	41,318	41,318	41,318	41,318	41,318
Financing lease right-of-use	-	10,589	10,351	10,351	10,351	10,351	10,351	10,351	10,351	10,351
Deferred contract acquisition costs, net, less current portion	7,873	8,146	8,622	8,622	8,622	8,622	8,622	8,622	8,622	8,622
Other non-current assets	663	843	1,021	1,000	1,052	1,103	1,166	1,166	1,336	1,523
TOTAL ASSETS	187,485	208,349	201,012	202,912	212,254	222,703	232,914	232,914	283,217	354,470
LIABILITIES										
Current liabilities:										
Accounts payable	4,061	3,793	5,171	4,735	5,179	5,482	5,742	5,742	6,572	7,490
Accrued liabilities	12,250	13,636	18,491	16,063	17,988	19,142	20,013	20,013	22,774	25,706
Deferred revenue	29,511	34,136	38,850	39,865	41,912	43,660	45,858	45,858	52,837	60,246
Current portion of deferred rent	-	-	-	-	-	-	-	-	-	-
Current portion of operating lease liabilities	-	3,662	3,821	3,821	3,821	3,821	3,821	3,821	3,821	3,821
Current portion of capital lease obligations	8,485	6,992	6,520	6,520	6,520	6,520	6,520	6,520	6,520	6,520
Current portion of long-term debt	-	10,000	-	-	-	-	-	-	-	-
Total current liabilities	54,307	72,219	72,853	71,005	75,420	78,625	81,954	81,954	92,523	103,784
Non-current liabilities:										
Deferred rent	4,319	-	-	-	-	-	-	-	-	-
Other long-term liabilities (Note 7)	-	-	-	-	-	-	-	-	-	-
Operating lease liabilities, less current portion	-	46,914	43,080	43,080	43,080	43,080	43,080	43,080	43,080	43,080
Capital lease obligations, less current portion	6,558	5,997	6,122	6,122	6,122	6,122	6,122	6,122	6,122	6,122
Long-term debt	10,000	-	-	-	-	-	-	-	-	-
Total liabilities	75,184	125,130	122,055	120,207	124,622	127,827	131,156	131,156	141,725	152,986
Common stock (2)	-	0	-	-	-	-	-	-	-	-
Additional paid-in capital	294,230	314,884	341,514	354,840	369,590	385,651	400,598	400,598	465,635	533,824
Accumulated deficit	(181,898)	(231,636)	(262,667)	(272,245)	(282,070)	(290,885)	(298,950)	(298,950)	(324,254)	(332,451)
Accumulated other comprehensive (loss) income	(31)	(29)	110	110	110	110	110	110	110	110
Total stockholders' equity	112,301	83,219	78,957	82,705	87,631	94,876	101,758	101,758	141,491	201,483
TOTAL LIABILITIES & SE	187,485	208,349	201,012	202,912	212,254	222,703	232,914	232,914	283,217	354,470

Source: BofA Global Research estimates, company filings

Exhibit 5: We expect WEAV to generate \$24mn in CFO in 2024

WEAV cash flow statement

\$ Thousands	YEAR	YEAR	YEAR	Mar	Jun	Sept	Dec	YEAR	YEAR	YEAR
	FY21A	FY22A	FY23A	1Q24E	2Q24E	3Q24E	4Q24E	FY24E	FY25E	FY26E
Net income (loss)	(51,690)	(49,737)	(31,031)	(8,758)	(8,973)	(7,970)	(7,237)	(32,938)	(24,364)	(9,291)
Depreciation and amortization	12,141	13,947	12,001	1,377	1,450	1,518	1,596	5,940	6,882	7,866
Bad debt expense	355	729	1,164	291	258	265	283	1,097	1,093	1,093
Amortization of right of use assets	-	2,464	3,831	958	963	962	964	3,846	3,849	3,849
Amortization of contract acquisition costs	9,410	11,045	12,171	3,163	3,271	3,345	3,417	13,197	14,448	15,726
Gain on recovery of previously recognized contract loss	-	-	-	-	-	-	-	-	-	-
Amortization of ROU assets	-	(413)	-	-	-	-	-	-	-	-
Loss on disposal of assets	-	4	16	-	-	-	-	-	-	-
Equity-based compensation	14,091	18,752	22,823	6,126	6,686	6,965	7,262	27,039	31,402	33,270
Net accretion of discounts on ST investments	-	-	(2,668)	-	-	-	-	-	-	-
				(2,052)						
Changes in operating assets and liabilities:	(5,029)	(9,557)	(8,086))	3,471	1,983	2,097	5,499	6,746	7,150
Accounts receivable	(870)	(966)	(1,379)	(138)	(223)	(198)	(144)	(702)	(661)	(688)
Contract acquisition costs, net	(12,828)	(11,572)	(13,313)	(655)	(451)	(437)	(607)	(2,150)	(1,965)	(2,059)
Prepaid expenses and other assets	(2,998)	(865)	(680)	568	(220)	(535)	(417)	(604)	(1,028)	(1,178)
Other non current assets	-	-	-	21	(51)	(51)	(63)	(145)	(170)	(186)
Accounts payable	(850)	(330)	1,323	(436)	444	303	260	571	830	919
Accrued liabilities	1,564	1,786	4,855	(2,428)	1,924	1,154	871	1,522	2,761	2,933
Operating lease liabilities	-	(2,225)	(3,714)	-	-	-	-	-	-	-
Deferred revenue	6,635	4,615	4,822	1,015	2,047	1,748	2,198	7,008	6,979	7,409
Deferred rent	4,318	-	-	-	-	-	-	-	-	-
	(20,722)	(12,766)								
Net cash used in operating activities))	10,221	1,103	7,126	7,068	8,383	23,680	40,055	59,664
CASH FLOWS FROM INVESTING ACTIVITIES										
Proceeds from sale of assets	-	16	-	-	-	-	-	-	-	-
Purchases of property and equipment	(7,061)	(1,895)	(1,691)	(1,147)	(1,208)	(1,265)	(1,330)	(4,950)	(5,735)	(6,555)
Capitalized internal-use software costs	(2,390)	(1,232)	(1,999)	(500)	(541)	(562)	(558)	(2,161)	(2,194)	(2,199)
Purchases of short-term investments (net of maturities)	-	(50,915)	(4,049)	-	-	-	-	-	-	-
		(54,026)		(1,647)	(1,750)	(1,827)	(1,888)			
Net cash used in investing activities	(9,451))	(7,739)))))	(7,112)	(7,929)	(8,754)
CASH FLOWS FROM FINANCING ACTIVITIES										
Principal payments on capital lease obligations/LOC	(7,869)	(8,709)	(17,530)	(1,111)	(1,111)	(1,111)	(1,111)	(4,442)	(2,032)	-
Proceeds from employee stock plan	-	828	1,877	-	-	-	-	-	-	-
Proceeds from stock option exercises	4,166	1,345	12,318	3,080	3,831	4,789	3,303	15,003	15,338	15,344
Paid offering cost	-	(671)	-	-	-	-	-	-	-	-
Payments for taxes related to equity awards	-	-	(10,388)	-	-	-	-	-	-	-
Proceeds from line of credit advance	6,000	-	-	-	-	-	-	-	-	-
Payout of accrued repurchase of common shares	(745)	-	-	-	-	-	-	-	-	-
Proceeds from IPO	-	-	-	-	-	-	-	-	-	-
Proceeds from preferred shares issuance, net of issuance costs	-	-	-	-	-	-	-	-	-	-
			(13,723)							
Net cash provided by (used in) financing activities	110,471	(7,207))	1,969	2,721	3,678	2,193	10,561	13,306	15,344
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	80,296))	1,425	8,097	8,920	8,687	27,129	45,432	66,253
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	55,701	135,996	61,997	50,756	52,182	60,279	69,198	50,756	77,886	123,318
									123,31	189,57
CASH AND CASH EQUIVALENTS, END OF PERIOD	135,996	61,997	50,756	52,182	60,279	69,198	77,886	77,886	8	1

Source: BofA Global Research estimates, company filings

Price objective basis & risk

Weave (WEAV)

Our PO of \$15 represents 4.3x EV/Rev on our 2025 forecast or 0.3x EV/Rev/Growth. This is a discount to the vertical software peer group at 5.3x EV/Rev and 0.5x EV/Rev/Growth. We believe a discount is warranted based on results that have fallen below initial expectations at the time of IPO, the company's relative newness in the public market and smaller size.

Risks to our price objective are: 1) slower than projected customer growth, 2) margin pressure, and 3) market share loss.

Analyst Certification

I, Michael J. Funk, 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 - Enterprise Software Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	8x8	EGHT	EGHT US	Michael J. Funk
	Adobe	ADBE	ADBE US	Brad Sills
	Alarm.com	ALRM	ALRM US	Michael J. Funk
	Amplitude, Inc.	AMPL	AMPL US	Koji Ikeda, CFA
	BILL	BILL	BILL US	Brad Sills
	CCC Intelligent Solutions	CCCS	CCCS US	Michael J. Funk
	Dynatrace	DT	DT US	Koji Ikeda, CFA
	Elastic NV	ESTC	ESTC US	Koji Ikeda, CFA
	GitLab Inc.	GTLB	GTLB US	Koji Ikeda, CFA
	Global-e Online Ltd.	GLBE	GLBE US	Koji Ikeda, CFA
	HubSpot	HUBS	HUBS US	Brad Sills
	Informatica Inc.	INFA	INFA US	Koji Ikeda, CFA
	Intapp Inc.	INTA	INTA US	Koji Ikeda, CFA
	Intuit	INTU	INTU US	Brad Sills
	JFrog Ltd	FROG	FROG US	Koji Ikeda, CFA
	MeridianLink, Inc.	MLNK	MLNK US	Koji Ikeda, CFA
	Microsoft Corporation	MSFT	MSFT US	Brad Sills
	MongoDB Inc	MDB	MDB US	Brad Sills
	nCino, Inc.	NCNO	NCNO US	Adam Bergere
	NICE Ltd.	NICE	NICE US	Michael J. Funk
	NICE Ltd.	NCSYF	NICE IT	Michael J. Funk
	PagerDuty	PD	PD US	Koji Ikeda, CFA
	PowerSchool Holdings, Inc.	PWSC	PWSC US	Koji Ikeda, CFA
	RingCentral	RNG	RNG US	Michael J. Funk
	Salesforce.com	CRM	CRM US	Brad Sills
	ServiceNow	NOW	NOW US	Brad Sills
	UiPath	PATH	PATH US	Brad Sills
	Unity	U	U US	Michael J. Funk
	Weave	WEAV	WEAV US	Michael J. Funk
	Workday Inc.	WDAY	WDAY US	Brad Sills
	Zeta Global	ZETA	ZETA US	Koji Ikeda, CFA
	ZoomInfo	ZI	ZI US	Koji Ikeda, CFA
NEUTRAL				
	Autodesk	ADSK	ADSK US	Michael J. Funk
	Bentley Systems	BSY	BSY US	Michael J. Funk
	BigCommerce Holdings, Inc.	BIGC	BIGC US	Koji Ikeda, CFA
	Coveo	YCVO	CVO CN	Koji Ikeda, CFA
	Datadog Inc	DDOG	DDOG US	Koji Ikeda, CFA
	DocuSign	DOCU	DOCU US	Brad Sills
	Freshworks, Inc.	FRSH	FRSH US	Adam Bergere

US - Enterprise Software Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	HashiCorp	HCP	HCP US	Brad Sills
	Jamf	JAMF	JAMF US	Koji Ikeda, CFA
	Lightspeed Commerce Inc.	LSPD	LSPD US	Koji Ikeda, CFA
	Lightspeed Commerce Inc.	YLSPD	LSPD CN	Koji Ikeda, CFA
	Oracle Corporation	ORCL	ORCL US	Brad Sills
	Paycom	PAYC	PAYC US	Adam Bergere
	Paylocity	PCTY	PCTY US	Adam Bergere
	Shopify, Inc.	SHOP	SHOP US	Brad Sills
	Snowflake	SNOW	SNOW US	Brad Sills
	Veeva Systems, Inc.	VEEV	VEEV US	Brad Sills
	Zoom Video Communications	ZM	ZM US	Michael J. Funk
UNDERPERFORM				
	AvidXchange, Inc.	AVDX	AVDX US	Brad Sills
	Blackbaud, Inc.	BLKB	BLKB US	Koji Ikeda, CFA
	BlackLine, Inc.	BL	BL US	Koji Ikeda, CFA
	C3.ai	AI	AI US	Brad Sills
	Confluent	CFLT	CFLT US	Brad Sills
	CS Disco, Inc.	LAW	LAW US	Koji Ikeda, CFA
	Dropbox	DBX	DBX US	Michael J. Funk
	Enfusion, Inc.	ENFN	ENFN US	Koji Ikeda, CFA
	Five9	FIVN	FIVN US	Michael J. Funk
	Guidewire Software, Inc.	GWRE	GWRE US	Michael J. Funk
	Twilio	TWLO	TWLO US	Michael J. Funk
	Vertex, Inc.	VERX	VERX US	Brad Sills
RSTR				
	Splunk	SPLK	SPLK US	Brad Sills

iQmethodSM Measures Definitions**Business Performance**

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

EV / EBITDA

Numerator

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

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash & Equivalents

EBIT

Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

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

Other LT Liabilities

Enterprise Value

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill Amortization

Shareholders' Equity

Sales

N/A

N/A

Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

Basic EBIT + Depreciation + Amortization

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 validations. The key features of iQmethod are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

iQdatabase[®] is our real-time global research database that is sourced directly from our equity analysts' earnings models and includes forecasted as well as historical data for income statements, balance sheets, and cash flow statements for companies covered by BofA Global Research.

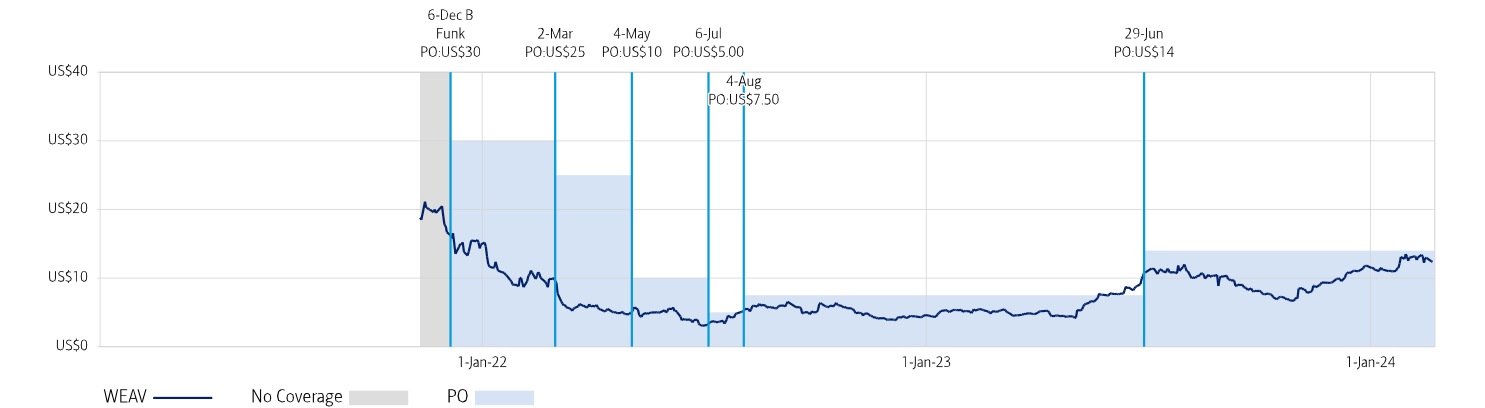
iQprofileSM, **iQmethodSM** are service marks of Bank of America Corporation. **iQdatabase[®]** is a registered service mark of Bank of America Corporation.



Disclosures

Important Disclosures

Weave (WEAV) 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: 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.

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

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{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.

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

Price Charts for the securities referenced in this research report are available on the [Price Charts website](#), or call 1-800-MERRILL to have them mailed. BofAS or one of its affiliates acts as a market maker for the equity securities recommended in the report: Weave. BofAS or one of its affiliates is willing to sell to, or buy from, clients the common equity of the issuer on a principal basis: Weave. BofA Global Research personnel (including the analyst(s) responsible for this report) receive compensation based upon, among other factors, the overall profitability of Bank of America Corporation, including profits derived from investment banking. The analyst(s) responsible for this report may also receive compensation based upon, among other factors, the overall profitability of the Bank's sales and trading businesses relating to the class of securities or financial instruments for which such analyst is responsible.

Other Important Disclosures

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



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

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

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

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

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

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

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

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

This information has been approved for publication and is distributed in the United Kingdom (UK) to professional clients and eligible counterparties (as each is defined in the rules of the FCA and the PRA) by MLI (UK), which is authorized by the PRA and regulated by the FCA and the PRA - details about the extent of our regulation by the FCA and PRA are available from us on request; has been approved for publication and is distributed in the European Economic Area (EEA) by BofASE (France), which is authorized by the ACPR and regulated by the ACPR and the AMF; has been considered and distributed in Japan by BofAS Japan, a registered securities dealer under the Financial Instruments and Exchange Act in Japan, or its permitted affiliates; is issued and distributed in Hong Kong by Merrill Lynch (Hong Kong) which is regulated by HKSCF; is issued and distributed in Taiwan by Merrill Lynch (Taiwan); is issued and distributed in India by BofAS India; and is issued and distributed in Singapore to institutional investors and/or accredited investors (each as defined under the Financial Advisers Regulations) by Merrill Lynch (Singapore) (Company Registration No 198602883D). Merrill Lynch (Singapore) is regulated by MAS. Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795), AFS License 235132 (MLEA) distributes this information in Australia only to 'Wholesale' clients as defined by s.761G of the Corporations Act 2001. With the exception of Bank of America N.A., Australia Branch, neither MLEA nor any of its affiliates involved in preparing this information is an Authorised Deposit-Taking Institution under the Banking Act 1959 nor regulated by the Australian Prudential Regulation Authority. No approval is required for publication or distribution of this information in Brazil and its local distribution is by Merrill Lynch (Brazil) in accordance with applicable regulations. Merrill Lynch (DIFC) is authorized and regulated by the DFSA. Information prepared and issued by Merrill Lynch (DIFC) is done so in accordance with the requirements of the DFSA conduct of business rules. BofA Europe (Frankfurt) distributes this information in Germany and is regulated by BaFin, the ECB and the CBI. BofA Securities entities, including BofA Europe and BofASE (France), may outsource/delegate the marketing and/or provision of certain research services or aspects of research services to other branches or members of the BofA Securities group. You may be contacted by a different BofA Securities entity acting for and on behalf of your service provider where permitted by applicable law. This does not change your service provider.

Please refer to the [Electronic Communications Disclaimers](#) for further information.

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

General Investment Related Disclosures:

Taiwan Readers: Neither the information nor any opinion expressed herein constitutes an offer or a solicitation of an offer to transact in any securities or other financial instrument. No part of this report may be used or reproduced or quoted in any manner whatsoever in Taiwan by the press or any other person without the express written consent of BofA Securities.

This document provides general information only, and has been prepared for, and is intended for general distribution to, BofA Securities clients. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other financial instrument or any derivative related to such securities or instruments (e.g., options, futures, warrants, and contracts for differences). This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of, and is not directed to, any specific person(s). This document and its content do not constitute, and should not be considered to constitute, investment advice for purposes of ERISA, the US tax code, the Investment Advisers Act or otherwise. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this document.

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

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



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

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

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

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

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

BoFA ESGMeter Methodology:

ESGMeter is a proprietary metric based on quantitative analysis and fundamental analyst inputs that reflects our assessment of a company's Environmental, Social and Governance-related attributes. The ESGMeter is intended to indicate a company's likelihood of experiencing stronger financial stability (higher return on equity and lower earnings and price volatility) over the next three years relative to peer group. There are three ESGMeter levels - Low, Medium, and High - which indicate whether a company has attributes most likely to translate into superior financial stability (in the case of a High level) or weaker financial stability (in the case of a Low level) over the next three years relative to its peer group. A Medium level suggests that a company exhibits ESG characteristics that are likely associated with financial stability results in line with its peer group over the next three years. Full details of our methodology, financial stability definition and disclaimers are available at [BoFA ESGMeter methodology](#). ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of the BoFA Global Research fundamental equity analyst's investment rating, volatility risk rating, income rating or price objective for that company.

Copyright and General Information:

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

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

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

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

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

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

Subject to the quiet period applicable under laws of the various jurisdictions in which we distribute research reports and other legal and BoFA Securities policy-related restrictions on the publication of research reports, fundamental equity reports are produced on a regular basis as necessary to keep the investment recommendation current.

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

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

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