

European Snapshot

First signs of bottoming revisions

Quantitative Strategy

Screen of the Week: highest/lowest breadth of revisions

The European 3-month ratios for sales (0.62), EPS (0.68) and DPS (0.80) remain in net downgrade territory (<1) for the 4th consecutive month, but the pace of net downgrades slowed for the sales and EPS ratios, while DPS ratio has increased the most in the past 9 months. In our Screen of the Week, we focus on European large-cap stocks with the highest and lowest 1-month sales, EPS and DPS Revision Ratios (Exhibit 1).

First improvement in all 3 metrics ratios since May '23

After 9 months of broad declines across metrics, the 1-month revision ratios have increased over the month: sales to 0.64, EPS to 0.67 and DPS to 0.93. The ratios increased broadly across sectors/countries/styles/exposure baskets with Developed Europe-exposed stocks topping all metrics and Utilities and Globally Diversified stocks' ratios declining on all three metrics (see Exhibit 51 for details).

Other metrics: all up, except for price targets

In February, the 1-month Revision Ratio increased the most for capex (to 1.27 from 0.65, back into net upgrades territory after 3 months in net downgrades, due to increases in Discretionary and Materials - see Exhibit 2 for top/bottom stocks), followed by buybacks (to 1.29 from 1.00, driven by Energy and Discretionary), net debt (to 2.06 from 1.84, on the back of increases in Technology and Industrials) and inventories (to 0.60 from 0.42, due to the increase in Financials). Only the price targets ratio declined (to 1.80 from 1.94, driven by Technology, Communications and Utilities).

Smallest outflow since Apr '20 from Europe-focused funds

Europe-focused equity funds recorded their 9th consecutive weekly outflow of \$0.03bn (the smallest outflow since April '20), with a net -27.7% seeing net inflows. Outflows amounted to \$1.51bn from active funds and \$1.47bn of inflows (the highest since Feb '23) moved into passive funds. Europe-focused funds have seen \$9.4bn of outflows YTD: \$13.58bn of outflows from active funds and \$4.18bn of inflows into passive funds. Size stocks (\$0.70bn), Switzerland (\$0.37bn) and Healthcare (\$0.11bn) had the largest inflows last week, while the UK (\$0.62bn), Financials (\$0.18bn) and Risk stocks (\$0.16bn) posted the largest outflows.

06 March 2024

Quant Strategy
Europe

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Latest European Snapshot notes:

[European Snapshot: Who is exposed to China/EM APAC? 28 February 2024](#)

[European Snapshot: Who screens well in 'Recession' and 'Recovery'? 15 February 2024](#)

We highlight the latest C-suite changes, insider buying stats and new buyback announcements in our screens in the Appendix.

Trading ideas and investment strategies discussed herein may give rise to significant risk and are not suitable for all investors. Investors should have experience in relevant markets and the financial resources to absorb any losses arising from applying these ideas or strategies.

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Refer to important disclosures on page 22 to 24.

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Timestamp: 06 March 2024 12:30AM EST

Screen of the week

Exhibit 1: The top/bottom European stocks with the highest and lowest 1-month Sales/EPS/DPS Revision Ratios among the largest 250 European listed names as per the market cap

Sales/EPS/DPS Revision Ratio per company, measured as: ((# of FY1 and FY2 upward Sales/EPS/DPS revisions over past month)-(# of FY1 and FY2 downward Sales/EPS/DPS revisions over past month))/ # of FY1 and FY2 estimates over past month

| BBG Ticker | Name | 1m SRR | 1m ERR | 1m DRR | BBG Ticker | Name | 1m SRR | 1m ERR | 1m DRR |
|------------|----------------------|--------|--------|--------|------------|--------------------------|--------|--------|--------|
| UCG IM | UniCredit | 0.60 | 0.90 | 0.73 | BATS LN | British American Tobacco | -0.81 | -0.73 | -0.68 |
| EXPN LN | Experian | 0.73 | 0.60 | 0.23 | IFX GR | Infineon Technologies | -0.88 | -0.92 | -0.31 |
| ISP IM | Intesa Sanpaolo | 0.47 | 0.44 | 0.60 | ADS GR | adidas | -0.75 | -0.67 | -0.46 |
| MOWI NO | Mowi | 0.52 | 0.43 | 0.52 | UHR SW | Swatch | -0.38 | -0.84 | -0.63 |
| SKG ID | Smurfit Kappa | 0.35 | 0.55 | 0.45 | INGA NA | ING | -0.67 | -0.52 | -0.55 |
| PUB FP | Publicis Groupe | 0.35 | 0.48 | 0.43 | HLN LN | Haleon | -0.50 | -0.53 | -0.53 |
| SAN SM | Santander | 0.50 | 0.49 | 0.23 | LSEG LN | London Stock Exchange | -0.71 | -0.46 | -0.25 |
| RMS FP | Hermes International | 0.38 | 0.43 | 0.24 | ROG SW | Roche Holding | -0.50 | -0.53 | -0.21 |
| AENA SM | Aena SME | 0.29 | 0.33 | 0.38 | CA FP | Carrefour | -0.74 | -0.23 | -0.24 |
| CABK SM | CaixaBank | 0.24 | 0.28 | 0.48 | P911 GR | Porsche | -0.43 | -0.47 | -0.27 |
| | | | | | AKZA NA | Akzo Nobel | -0.22 | -0.39 | -0.50 |
| | | | | | FRE GR | Fresenius SE | -0.40 | -0.28 | -0.34 |
| | | | | | GLE FP | Societe Generale | -0.25 | -0.33 | -0.24 |
| | | | | | MRK GR | Merck | -0.26 | -0.32 | -0.21 |

Source: BofA European Equity Quant Strategy, IBES. Disclaimer: The screen above is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. This screen was not created to act as a benchmark.

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Exhibit 2: The top/bottom European stocks with the highest and lowest 1-month Capex Revision Ratios among the largest 250 European listed names as per the market cap

Capex Revision Ratio per company, measured as: ((# of FY1 and FY2 upward capex revisions over past month)-(# of FY1 and FY2 downward capex revisions over past month))/ # of FY1 and FY2 estimates over past month

| Most positive breadth of Capex revisions | | | Most negative breadth of Capex revisions | | |
|--|----------------------|-------|--|--------------------------|-------|
| BBG Ticker | Name | Ratio | BBG Ticker | Name | Ratio |
| EPIA SS | Epiroc | 0.88 | PUB FP | Publicis | -1.00 |
| SU FP | Schneider Electric | 0.82 | AD NA | Ahold Delhaize | -0.85 |
| NOVOB DC | Novo Nordisk | 0.82 | BATS LN | British American Tobacco | -0.80 |
| EQNR NO | Equinor | 0.80 | ERICB SS | LM Ericsson | -0.71 |
| VOLVB SS | Volvo | 0.77 | RI FP | Pernod Ricard | -0.71 |
| BVI FP | Bureau Veritas | 0.71 | STMPA FP | STMicroelectronics | -0.68 |
| SGRO LN | SEGRO | 0.67 | UPM FH | UPM-Kymmene | -0.65 |
| VWS DC | Vestas Wind Systems | 0.67 | KYGA ID | Kerry | -0.64 |
| HMB SS | H&M | 0.65 | GIVN SW | Givaudan | -0.60 |
| ANTO LN | Antofagasta | 0.63 | P911 GR | Porsche | -0.56 |
| KSP ID | Kingspan | 0.60 | ABI BB | Anheuser-Busch InBev | -0.54 |
| BA/ LN | BAE Systems | 0.60 | DSFIR NA | DSM-Firmenich | -0.54 |
| MC FP | LVMH | 0.58 | ADS GR | adidas | -0.53 |
| RIO LN | Rio Tinto | 0.57 | MOWI NO | Mowi | -0.50 |
| CRDA LN | Croda International | 0.56 | IBE SM | Iberdrola | -0.50 |
| PNDORA DC | Pandora | 0.54 | FRE GR | Fresenius SE | -0.50 |
| EDEN FP | Edenred | 0.53 | ALFA SS | Alfa Laval AB | -0.50 |
| AZN LN | AstraZeneca | 0.50 | SGSN SW | SGS | -0.50 |
| KNEBV FH | Kone | 0.48 | SHL GR | Siemens Healthineers | -0.47 |
| ABBN SW | ABB | 0.47 | 1COV GR | Covestro | -0.46 |
| GSK LN | GSK | 0.46 | SIE GR | Siemens | -0.45 |
| MAERSKB DC | A.P. Moller - Maersk | 0.45 | SIKA SW | Sika | -0.45 |
| ARGX BB | argenx | 0.44 | ULVR LN | Unilever | -0.43 |
| UHR SW | Swatch | 0.43 | IFX GR | Infineon Technologies | -0.43 |
| CPG LN | Compass | 0.43 | CA FP | Carrefour | -0.41 |

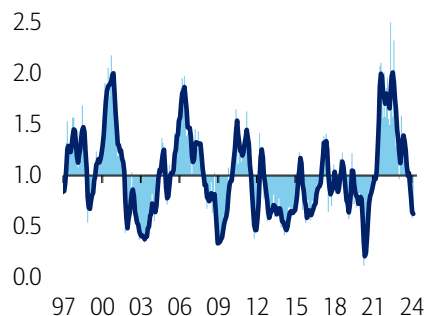
Source: BofA European Equity Quant Strategy, IBES. Disclaimer: The screen above is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. This screen was not created to act as a benchmark.

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Revisions

Exhibit 3: Sales Revision Ratio for Europe

1-month (light blue) and 3-month (dark blue); the 3-month ratio has gone down to 0.62 in February, from 0.64 previously

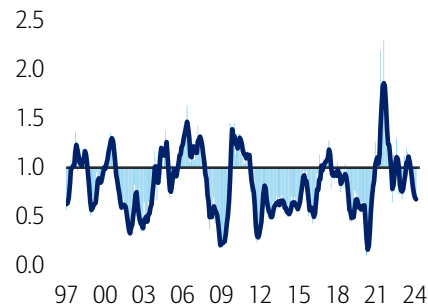


Source: BofA European Equity Quant Strategy, IBES. The Sales Revision Ratio measures the number of stocks for which the consensus Sales estimate has risen, versus the number for which it has fallen.

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Exhibit 4: EPS Revision Ratio for Europe

1-month (light blue) and 3-month (dark blue); the 3-month ratio has decreased to 0.68 in February, from 0.69 previously

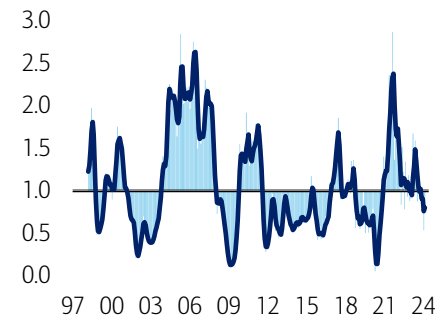


Source: BofA European Equity Quant Strategy, IBES. The EPS Revision Ratio measures the number of stocks for which the consensus EPS estimate has risen, versus the number for which it has fallen.

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Exhibit 5: DPS Revision Ratio for Europe

1-month (light blue) and 3-month (dark blue); the 3-month ratio has improved to 0.80 in February, from 0.76 previously

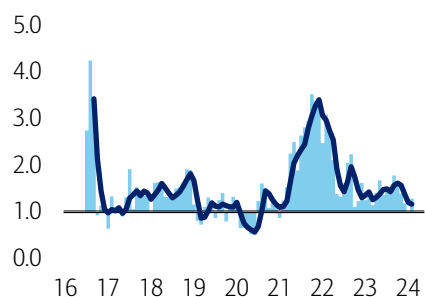


Source: BofA European Equity Quant Strategy, IBES. The DPS Revision Ratio measures the number of stocks for which the consensus DPS estimate has risen, versus the number for which it has fallen.

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Exhibit 6: Buybacks Revision Ratio for Europe

1-month (light blue) and 3-month (dark blue); the 3-month ratio has decreased to 1.16 in February, from 1.20 previously

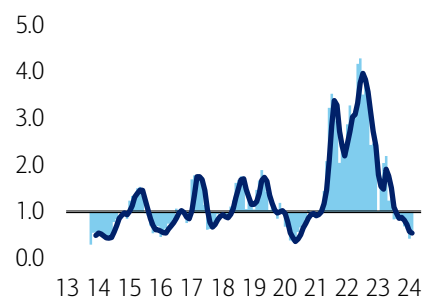


Source: BofA European Equity Quant Strategy, Factset. The Buybacks Revision Ratio measures the number of stocks for which the consensus number of share repurchases estimate has risen, versus the number for which it has fallen.

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Exhibit 7: Inventories Revision Ratio for Europe

1-month (light blue) and 3-month (dark blue); the 3-month ratio has fallen to 0.54 in February, from 0.57 previously

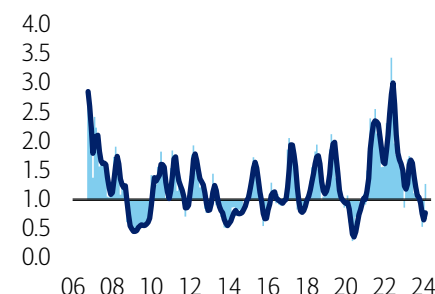


Source: BofA European Equity Quant Strategy, Factset. The Inventories Revision Ratio measures the number of stocks for which the consensus number of inventories estimate has risen, versus the number for which it has fallen.

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Exhibit 8: Capex Revision Ratio for Europe

1-month (light blue) and 3-month (dark blue); the 3-month ratio has increased to 0.77 in February, from 0.65 previously

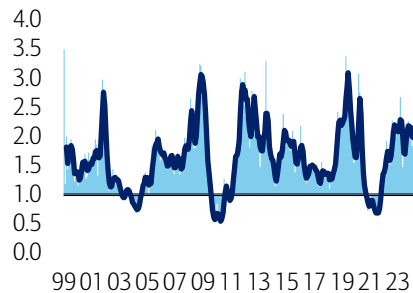


Source: BofA European Equity Quant Strategy, Factset. The Capex Revision Ratio measures the number of stocks for which the consensus number of capex estimate has risen, versus the number for which it has fallen

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Exhibit 9: Net Debt Revision Ratio for Europe

1-month (light blue) and 3-month (dark blue); the 3-month ratio has gone down to 1.98 in February, from 2.01 previously

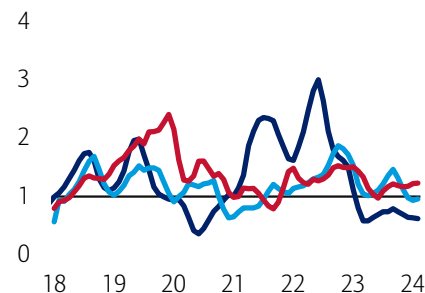


Source: BofA European Equity Quant Strategy, Factset. The Net Debt Revision Ratio measures the number of stocks for which the consensus number of net debt estimate has risen, versus the number for which it has fallen

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Exhibit 10: 1-month cash and long-term ratios decreased, while short-term debt ratio increased over the month

European 3-month revision ratios for cash (dark blue), short-term debt (light blue) and long-term debt (red line)

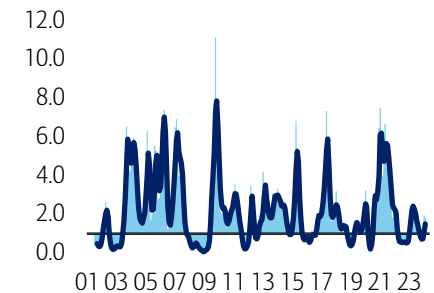


Source: BofA European Equity Quant Strategy, Factset. The Cash/Short-term debt/Long-term debt Revision Ratio measures the number of stocks for which the consensus number of cash/short-term debt/long-term debt estimates have risen, versus the number for which they have fallen

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Exhibit 11: Price Target Revision Ratio for Europe

1-month (light blue) and 3-month (dark blue); the 3-month ratio has risen to 1.49 in February, from 1.09 previously

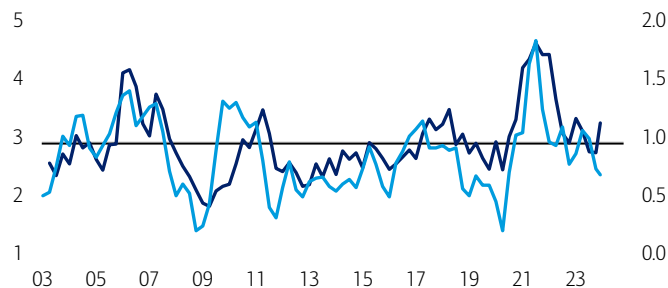


Source: BofA European Equity Quant Strategy, Factset. The Price Target Revision Ratio measures the number of stocks for which the consensus number of price target estimate has risen, versus the number for which it has fallen

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Exhibit 12: Company commentary has improved, while sell-side earnings downgrades have slowed

Stoxx 600 Company Sentiment Ratio (dark blue line) and European 3-month EPS Revision Ratio (light blue line, rhs)

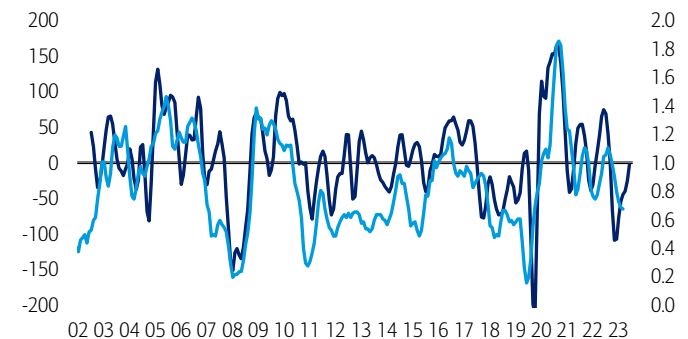


Source: BofA European Equity Quant Strategy, IBES, Factset. Stoxx 600 Company Sentiment Ratio is calculated as a ratio of mentions "better" and "stronger" to "worse" and "weaker" in the earnings transcripts for Europe Stoxx 600 companies that have reported in each quarter.

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Exhibit 13: Sell-side earnings downgrades are likely to trough

Eurozone Economic Surprise Index (dark blue line, 3m mva, 3m lag) and European 3-month EPS Revision Ratio (light blue line, rhs)

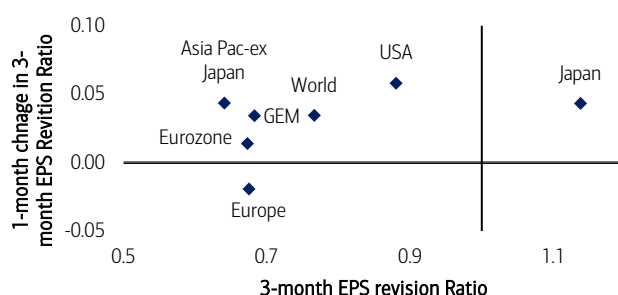


Source: BofA European Equity Quant Strategy, IBES, Refinitiv

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Exhibit 14: Only Japan remains in net upgrades territory, while the breadth of upgrades decreased only in Europe

The 3-month EPS Revision Ratio and its MoM change by region in February

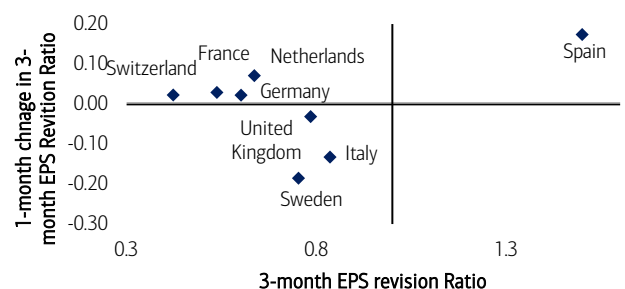


Source: BofA European Equity Quant Strategy, IBES

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Exhibit 15: Only Spain remains in net upgrades territory, while the breadth of upgrades decreased the most in Sweden.

The 3-month EPS Revision Ratio and its MoM change by country in February

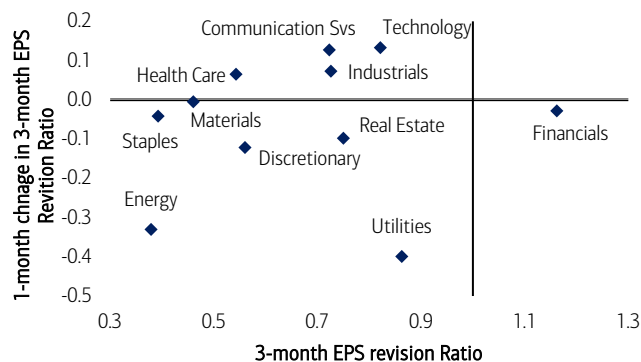


Source: BofA European Equity Quant Strategy, IBES

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Exhibit 16: Only Financials remain in net upgrades territory, while the breadth of upgrades decreased the most in Utilities and Energy

The 3-month EPS Revision Ratio and its MoM change by sector in February

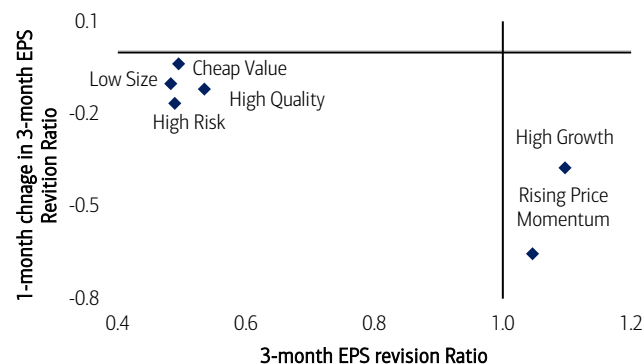


Source: BofA European Equity Quant Strategy, IBES

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Exhibit 17: Only High Growth and Rising Price Momentum stayed in net upgrades territory

The 3-month EPS Revision Ratio and its MoM change by style in February

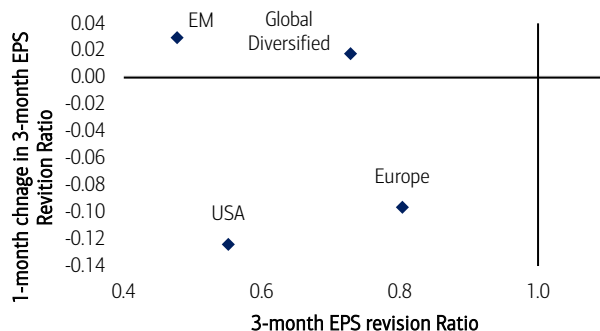


Source: BofA European Equity Quant Strategy, IBES

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Exhibit 18: EM-exposed stocks had the lowest ratio in spite of breadth of upgrades increased the most in EM-exposed stocks, while it decreased the most in USA-exposed stocks.

The 3-month EPS Revision Ratio and 1-month change in the 3-month EPS Revision Ratio by revenue exposure basket in February

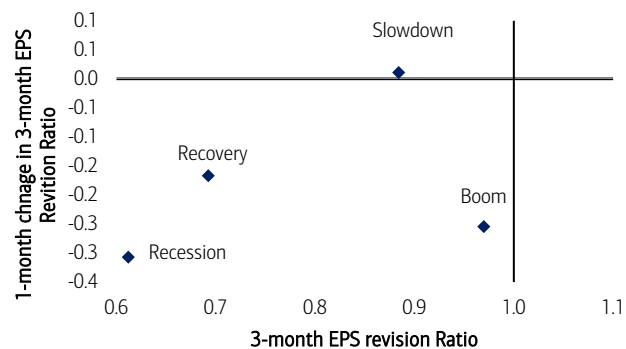


Source: BofA European Equity Quant Strategy, IBES

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Exhibit 19: Recession stocks had the lowest EPS Revision ratio, while the breadth of revisions increased only in Slowdown stocks

The 3-month EPS Revision Ratio and its MoM change by top phase in February



Source: BofA European Equity Quant Strategy, IBES

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Exhibit 20: Industrials and Financials contribute the most to 2024/25 expected growth numbers, while Energy, Real Estate and Utilities the least

2024 and 2025 expected SPS/EPS/DPS growth contribution for MSCI Europe per country and sector

| | Sales Growth (%) | | EPS Growth (%) | | Dividend Growth (%) | |
|--------------------------|------------------|-------|----------------|------|---------------------|------|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| Europe | 2.82 | 2.82 | 3.44 | 9.82 | 7.36 | 5.71 |
| Contribution per sector | | | | | | |
| Energy | 0.45 | -0.46 | -0.52 | 0.43 | 0.38 | 0.26 |
| Materials | 0.16 | 0.25 | 0.49 | 0.65 | 0.52 | 0.38 |
| Industrials | 0.60 | 0.90 | 0.83 | 1.57 | 0.60 | 1.10 |
| Discretionary | 0.37 | 0.63 | 0.29 | 1.17 | 0.57 | 0.86 |
| Staples | 0.14 | 0.40 | 0.37 | 0.85 | 0.62 | 0.76 |
| Healthcare | 0.48 | 0.49 | 0.63 | 1.69 | 0.80 | 0.94 |
| Financials | 0.59 | 0.31 | 1.64 | 2.02 | 3.32 | 0.69 |
| IT | 0.06 | 0.26 | -0.48 | 1.06 | 0.22 | 0.33 |
| Communication Svs | 0.08 | 0.08 | 0.31 | 0.31 | 0.08 | 0.17 |
| Utilities | -0.14 | -0.04 | -0.10 | 0.04 | 0.13 | 0.17 |
| Real Estate | 0.02 | 0.00 | -0.03 | 0.04 | 0.13 | 0.05 |
| Contribution per country | | | | | | |
| France | 0.73 | 0.61 | 0.70 | 1.75 | 0.97 | 1.44 |
| Germany | 0.42 | 0.85 | 0.24 | 1.80 | 0.82 | 1.18 |
| Italy | 0.07 | 0.08 | 0.04 | 0.14 | 0.39 | 0.16 |
| Netherlands | -0.08 | 0.24 | 0.16 | 1.09 | 0.06 | 0.55 |
| Spain | 0.26 | 0.03 | 0.12 | 0.19 | 0.52 | 0.28 |
| Sweden | 0.02 | 0.15 | -0.11 | 0.32 | 0.28 | 0.16 |
| Switzerland | 0.36 | 0.28 | 1.15 | 1.59 | 1.06 | 0.82 |
| UK | 0.03 | 0.00 | 0.71 | 2.03 | 2.73 | 0.58 |

Source: MSCI, Refinitiv

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Exhibit 21: Communication Svs, the UK, High Growth and USA-exposed stocks top the 12m fwd EPS growth estimates

12m fwd EPS growth (%)

| Sectors | | Countries | Europe: 4.54% | | Exposure baskets | |
|-------------------|-------|-------------|---------------|-------|------------------|------|
| | | | Styles | | | |
| Communication Svs | 10.57 | UK | High Growth | 14.43 | USA | 9.25 |
| Materials | 8.44 | Spain | Rising Price | 6.69 | EM | 7.56 |
| Industrials | 7.48 | Germany | Momentum | 5.53 | Global | 3.88 |
| Healthcare | 6.80 | France | High Quality | 3.96 | Diversified | 2.19 |
| Financials | 6.49 | Italy | Top Value | -1.66 | Developed | |
| Staples | 5.16 | Sweden | Low Size | -3.06 | | |
| Discretionary | 4.24 | Netherlands | | | | |
| Utilities | -1.68 | Switzerland | | | | |
| Real Estate | -1.77 | | | | | |
| Energy | -3.26 | | | | | |
| IT | -3.85 | | | | | |

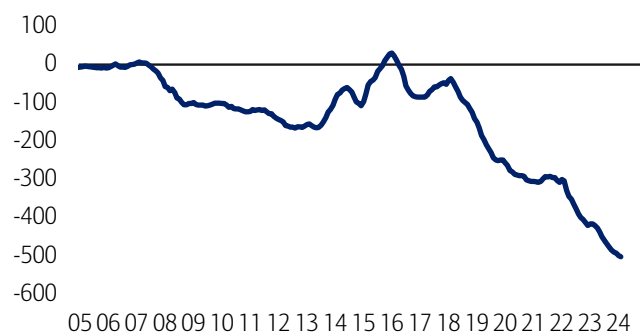
Source: BofA European Equity Quant Strategy, MSCI, Refinitiv, Factset

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Flows

Exhibit 22: Europe-focused equity funds have seen \$495bn of outflows since 2005 (active funds: \$-624bn, passive funds: \$129bn)

Long-term cumulative flows into Europe-focused equity funds (\$bn)

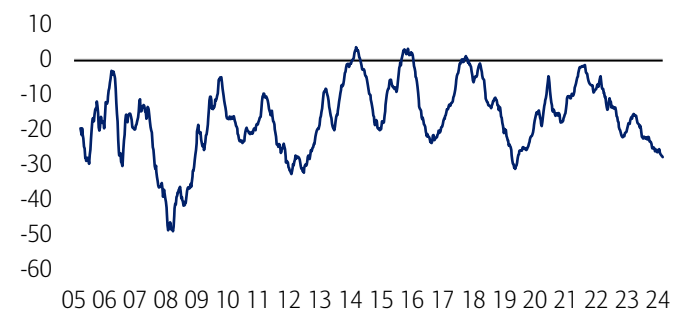


Source: BofA European Equity Quant Strategy, EPFR Global

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Exhibit 23: A net -27.7% of Europe-focused funds saw inflows last week, 6th straight decline and the lowest reading since Jun '19

Net % of Europe-focused equity funds seeing inflows on weekly basis (12w mva)

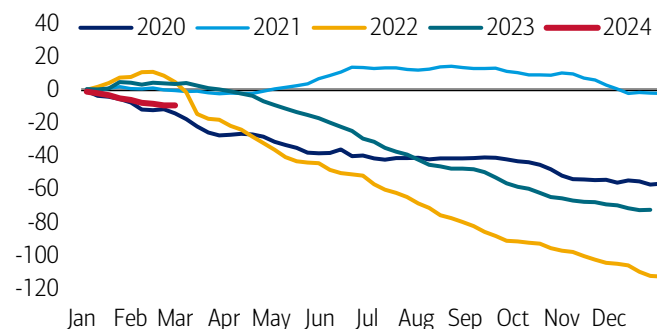


BofA European Equity Quant Strategy, EPFR Global. Note: Net % calculated as % of funds that saw inflows minus % of funds that saw outflows

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Exhibit 24: Europe-focused equity funds have seen \$9.4bn of outflows YTD, with \$10.13bn of outflows from European-domiciled funds and \$0.68bn of inflows into US-domiciled funds

Cumulative annual flows into Europe-focused equity funds (\$bn)

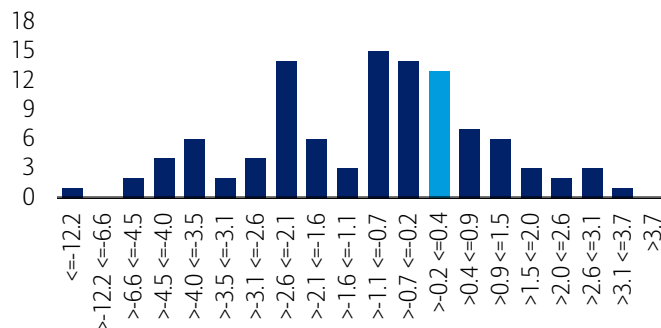


Source: BofA European Equity Quant Strategy, EPFR Global

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Exhibit 25: Europe-focused equity funds saw \$0.03bn of outflows last week, 9th consecutive weekly outflow and the smallest since Apr '20

Distribution of weekly flows into Europe-focused equity funds over the last two years (\$bn)

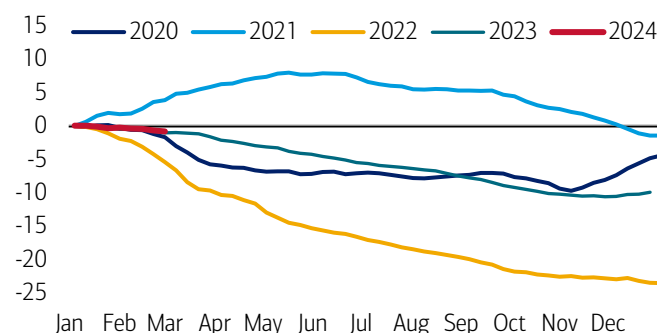


Source: BofA European Equity Quant Strategy, EPFR Global

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Exhibit 26: SMID focused European equity funds have seen \$0.82bn of outflows YTD, \$1.06bn of outflows from active funds and \$0.25bn of inflows into passive funds

Cumulative annual flows into SMID-focused European equity funds (\$bn)

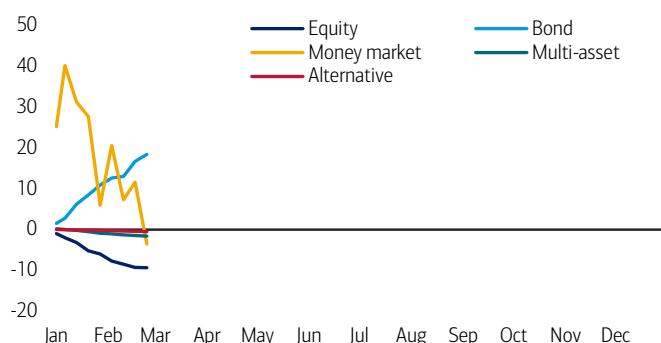


Source: BofA European Equity Quant Strategy, EPFR Global

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Exhibit 27: Equity funds have seen the largest outflows YTD (\$9.4bn), while Bond funds have seen the largest inflows (\$18.4bn)

YTD cumulative flows into Europe-focused funds by asset-class (\$bn)

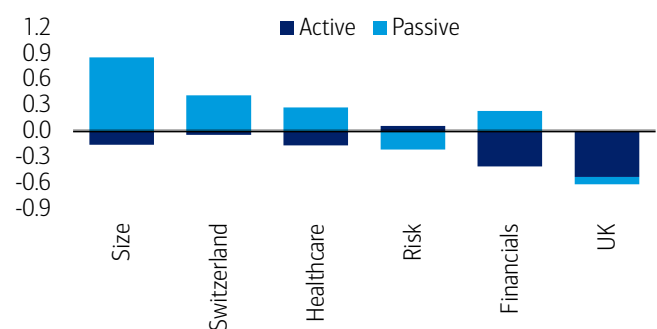


Source: BofA European Equity Quant Strategy, EPFR Global

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Exhibit 28: Size stocks recorded the largest inflows (\$0.70bn), while the UK noted the largest outflows (\$0.62bn) last week

Top and bottom inflows/outflows last week into Europe-focused equity funds/stocks by country, sector, style split into active and passive (\$bn)

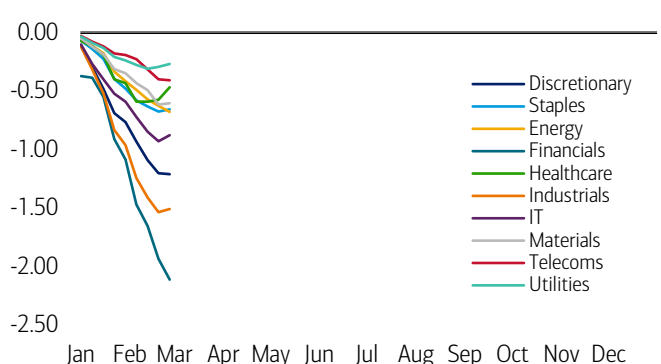


Source: BofA European Equity Quant Strategy, EPFR Global. Note: flows into styles are aggregated from stock level data

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Exhibit 29: Utilities noted the smallest outflows YTD (\$0.3bn), while Financials recorded the largest outflows (\$2.1bn)

YTD cumulative flows into Europe-focused equity funds by sector (\$bn)

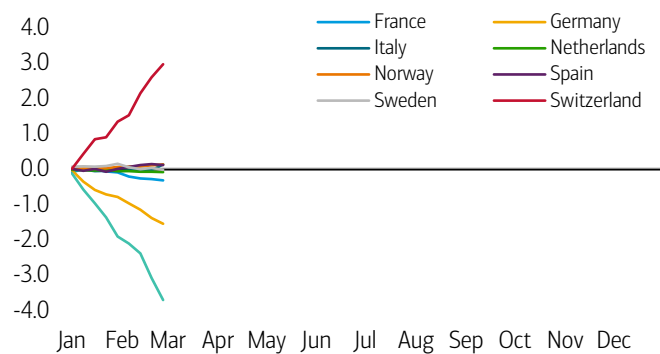


Source: BofA European Equity Quant Strategy, EPFR Global

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Exhibit 30: Switzerland noted the largest inflows YTD (\$3bn), while the UK recorded the largest outflows (\$3.7bn)

YTD cumulative flows into Europe-focused equity funds by country (\$bn)

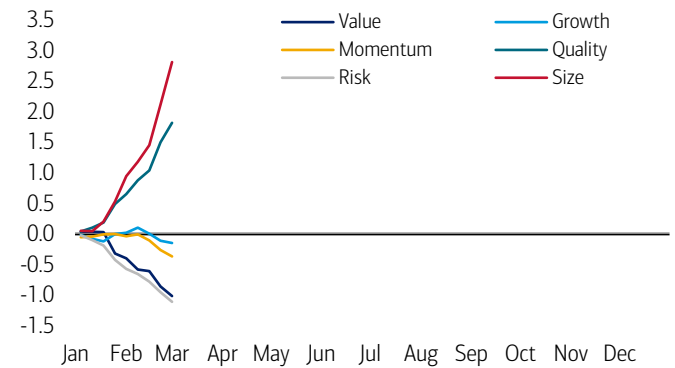


Source: BofA European Equity Quant Strategy, EPFR Global.

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Exhibit 31: Size has seen the largest inflows YTD (\$2.8bn), while Risk has recorded the largest outflows (\$1.1bn)

YTD cumulative flows into European equities by style (long-short, \$bn)

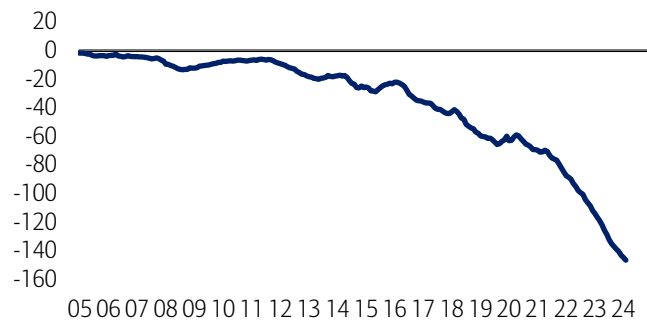


Source: BofA European Equity Quant Strategy, EPFR Global. Note: flows into styles are aggregated from stock level data

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Exhibit 32: UK-focused equity funds have seen \$145bn of outflows since 2005 (active funds: \$-163bn, passive funds: \$18bn)

Long-term cumulative flows into UK-focused equity funds (\$bn)

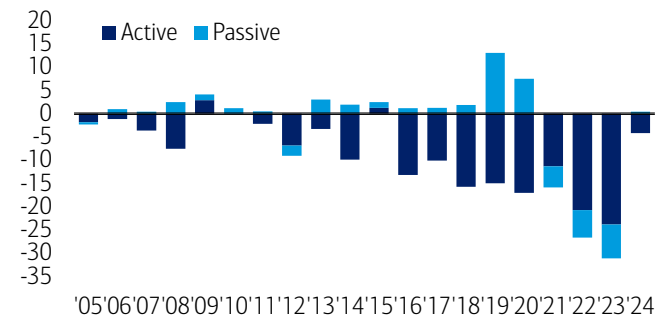


Source: BofA European Equity Quant Strategy, EPFR Global

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Exhibit 33: YTD UK-focused equity active funds have seen \$4.1bn of outflows, while passive funds recorded \$0.4bn of inflows

Yearly flows into UK-focused equity funds (\$bn) split between active and passive funds

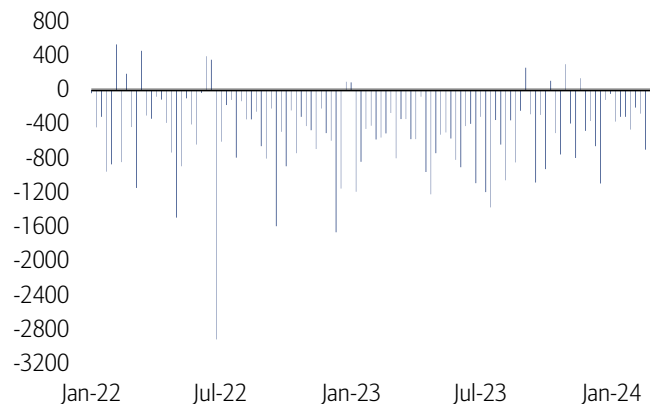


Source: BofA European Equity Quant Strategy, EPFR Global

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Exhibit 34: UK-focused equity funds saw \$0.62bn of outflows last week, the 14th consecutive weekly outflow

UK-focused equity funds weekly flows (\$mn)

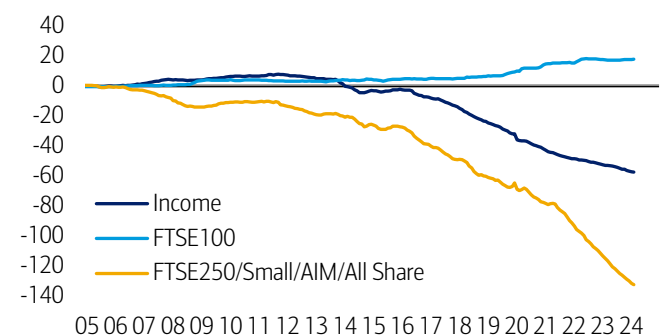


Source: BofA European Equity Quant Strategy, EPFR Global.

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Exhibit 35: Since 2005, UK equity-focused income funds saw \$57bn of outflows, \$18bn of inflows into FTSE100 benchmarked funds and \$133bn of outflows from FTSE250/AIM/All Share/Small caps

Long-term cumulative flows into UK-focused equity funds (\$bn) split by focus

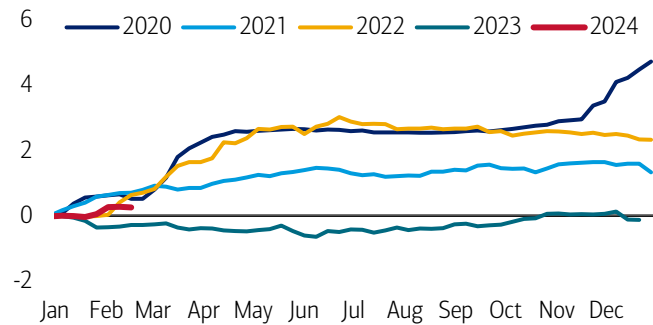


Source: BofA European Equity Quant Strategy, EPFR Global.

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Exhibit 36: UK-focused equity funds benchmarked to FTSE 100 have seen \$0.25bn of inflows YTD

Cumulative annual flows into UK-focused equity funds benchmarked to FTSE 100 index (\$bn)

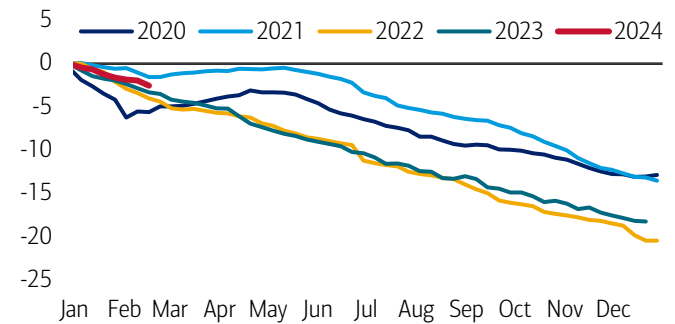


Source: BofA European Equity Quant Strategy, EPFR Global

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Exhibit 37: UK-focused equity funds benchmarked to FTSE 250/Small/AIM/All Share indices have seen \$2.56bn of outflows YTD

Cumulative annual flows into UK-focused equity funds benchmarked to FTSE 250/AIM/Small/ALL Share indices (\$bn)



Source: BofA European Equity Quant Strategy, EPFR Global

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Exhibit 38: Novozymes has seen the largest inflows last week as % of mcap, while International Distributions Services largest outflows across funds

Top 5 and bottom 5 European companies that are part of Europe Stoxx 600 index and saw the largest inflow/outflow from different types of funds last week as % of market capitalisation

Stocks that saw the highest inflows last week

| BBG Ticker | Name | Sector | Country | Flow as % of mcap | Group |
|------------|-----------|--------------------------|-------------|-------------------|---------|
| LIGHT NA | Signify | Construction & Materials | Netherlands | 0.02 | Active |
| FBK IM | Fincobank | Banks | Italy | 0.01 | Active |
| YAR NO | Yara | Chemicals | Norway | 0.01 | Active |
| FORTUM FH | Fortum | Utilities | Finland | 0.01 | Active |
| TEL NO | Telenor | Telecomms | Norway | 0.01 | Active |
| NZYMB DC | Novozymes | Health Care | Denmark | 0.10 | Passive |
| COLOB DC | Coloplast | Health Care | Denmark | 0.06 | Passive |
| DEMANT DC | Demant | Health Care | Denmark | 0.06 | Passive |
| PNDORA DC | Pandora | Consumer Pds & Svs | Denmark | 0.06 | Passive |
| TRYG DC | Tryg | Insurance | Denmark | 0.06 | Passive |

Stocks that saw the highest outflows last week

| BBG Ticker | Name | Sector | Country | Flow as % of mcap | Group |
|------------|--------------------------------------|----------------------|---------|-------------------|---------|
| IDS LN | International Distributions Services | Industrial Gds & Svs | UK | -0.17 | Active |
| ITV LN | Itv | Media | UK | -0.14 | Active |
| DRX LN | Drax | Utilities | UK | -0.13 | Active |
| TPK LN | Travis Perkins | Industrial Gds & Svs | UK | -0.09 | Active |
| QQ/ LN | Qinetiq | Industrial Gds & Svs | UK | -0.08 | Active |
| LEG GR | Leg Immobilien | Real Estate | Germany | -0.03 | Passive |
| COV FP | Covivio | Real Estate | France | -0.03 | Passive |
| BC8 GR | Bechtle | Technology | Germany | -0.03 | Passive |
| LI FP | Klepierre | Real Estate | France | -0.03 | Passive |
| GFC FP | Gecina | Real Estate | France | -0.02 | Passive |

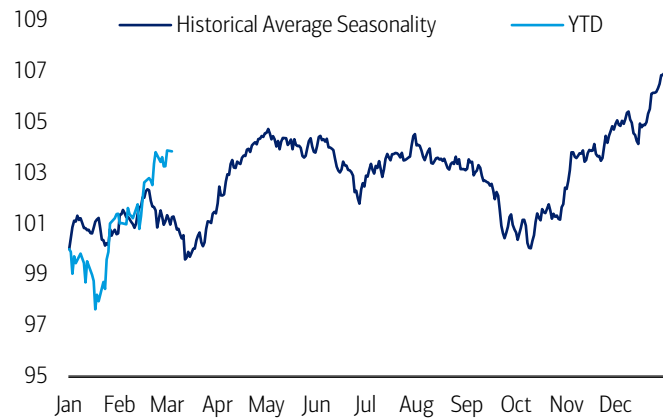
Source: BofA European Equity Quant Strategy, EPFR Global. Disclaimer: The screen above is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. This screen was not created to act as a benchmark.

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Performances

Exhibit 39: The SXXP index typically registers a 1.4% gain in Q1, while the current quarter-to-date return stands at a 3.61% gain

Historical average performance of Europe Stoxx 600 index (EUR, price return)



Source: BofA European Equity Quant Strategy, Refinitiv. Note: historical average performance calculated over 1992-2023

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Exhibit 40: Q1 '24 so far notes stronger gains in Netherlands, IT and Growth compared to historical trends

Current QTD and YTD performance in comparison with historical average relative performance of MSCI sectors/countries indices (vs MSCI Europe, local currency, price return) and styles (long/short, EUR, price return)

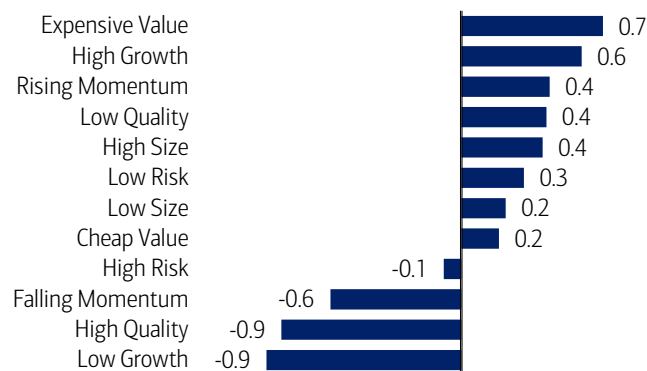
| | QTD (%) | Diff vs historical | YTD (%) | Diff vs historical |
|-------------------|---------|--------------------|---------|--------------------|
| Germany | 0.9 | 1.2 | 0.9 | 1.2 |
| France | 0.8 | -0.4 | 0.8 | -0.4 |
| Italy | 4.3 | 3.0 | 4.3 | 3.0 |
| Netherlands | 11.7 | 11.3 | 11.7 | 11.3 |
| Spain | -4.1 | -5.0 | -4.1 | -5.0 |
| Sweden | -0.7 | -5.0 | -0.7 | -5.0 |
| Switzerland | -1.7 | -0.4 | -1.7 | -0.4 |
| UK | -4.9 | -3.9 | -4.9 | -3.9 |
| Materials | -6.4 | -7.6 | -6.4 | -7.6 |
| Communication Svs | -1.9 | -1.8 | -1.9 | -1.8 |
| Discretionary | 5.2 | 3.7 | 5.2 | 3.7 |
| Staples | -6.2 | -5.2 | -6.2 | -5.2 |
| Energy | -7.7 | -7.9 | -7.7 | -7.9 |
| Financials | -0.2 | 1.4 | -0.2 | 1.4 |
| Healthcare | 2.4 | 4.0 | 2.4 | 4.0 |
| Industrials | 2.6 | 0.6 | 2.6 | 0.6 |
| IT | 14.8 | 12.8 | 14.8 | 12.8 |
| Utilities | -13.3 | -12.2 | -13.3 | -12.2 |
| Real Estate | -11.4 | -9.4 | -11.4 | -9.4 |
| Value | -3.0 | -2.0 | -3.0 | -2.0 |
| Growth | 13.8 | 9.9 | 13.8 | 9.9 |
| Momentum | 6.5 | 3.7 | 6.5 | 3.7 |
| Quality | 2.1 | 3.5 | 2.1 | 3.5 |
| Risk | -3.4 | -5.4 | -3.4 | -5.4 |
| Size | -6.8 | -10.2 | -6.8 | -10.2 |

Source: BofA European Equity Quant Strategy, Refinitiv, MSCI. Note: historical average performance calculated over 1993-2023

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Exhibit 41: March sees largest gains in Expensive Value so far, while Low Growth experiences the largest losses

% MTD returns for styles in the largest 250 European stocks (relative price return equally weighted in EUR)

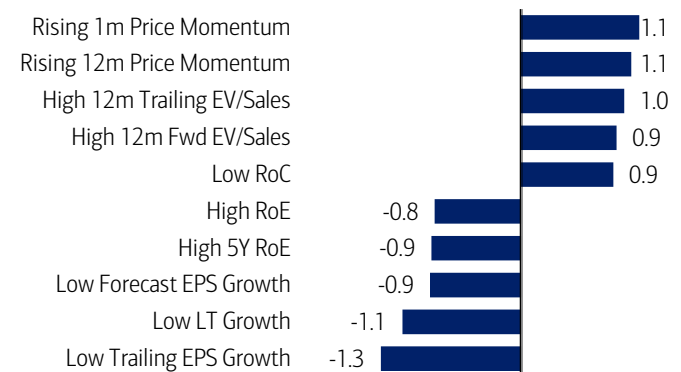


Source: BofA European Equity Quant Strategy, Factset

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Exhibit 42: Rising 1m Price Momentum have seen the strongest gains MTD, while Low Trailing EPS Growth records the largest losses

% MTD best and worst factor in styles in the largest 250 European stocks (relative price return equally weighted in EUR)

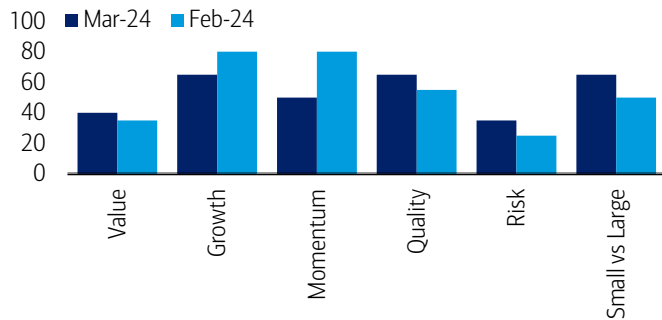


Source: BofA European Equity Quant Strategy, Factset

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Exhibit 43: Growth, Quality and Small vs Large caps have outperformed in 13 out of 20 sectors so far in March

% of SXXP index super-sectors in which styles (L/S) are outperforming in Mar

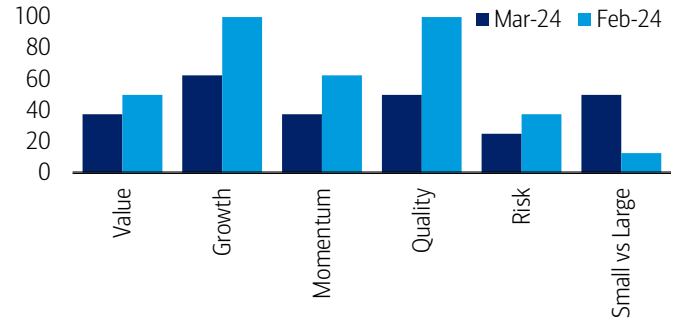


Source: BofA European Equity Quant Strategy, FactSet

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Exhibit 44: Growth has outperformed in 5 out of 8 countries so far in March

% of SXXP index countries* in which styles (L/S) are outperforming in Mar

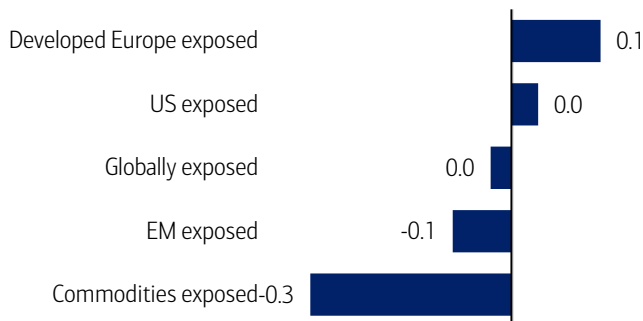


Source: BofA European Equity Quant Strategy, FactSet. Note: * countries included: France, Germany, Italy, Netherlands, Spain, Sweden, Switzerland, UK

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Exhibit 45: Developed Europe exposed stocks have gained the most MTD, while Commodities exposed stocks have noted the largest losses

% MTD returns for revenue exposure baskets (relative price return equally weighted in EUR)

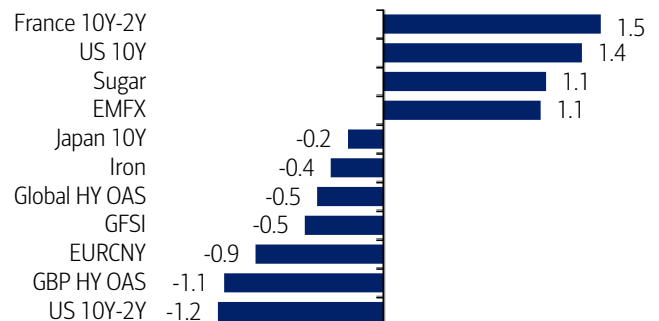


Source: BofA European Equity Quant Strategy, Factset

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Exhibit 46: Stocks sensitive to rising France 10Y-2Y have gained the most MTD, while these sensitive to rising US 10Y-2Y lost the most

% MTD returns for stocks with specific cross-asset sensitivities (relative price return equally weighted in EUR)



Source: BofA European Equity Quant Strategy, Factset

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Exhibit 47: Q1 has been historically the strongest for Sweden, IT and Low vs High Size

Historical average returns for countries, sectors, styles (L/S) in each quarter

| | Germany | France | Italy | Netherlands | Spain | Sweden | Switzerland | UK | | | |
|--------------|-----------|-------------------|---------------|-------------|--------|------------|-------------|-------------|-------|-----------|-------------|
| Q1 | -0.1% | 1.8% | 1.5% | 1.5% | 0.6% | 3.2% | -0.3% | -2.0% | | | |
| Q2 | 0.2% | -0.1% | -2.3% | 1.2% | 0.2% | 0.9% | 1.1% | -0.3% | | | |
| Q3 | -2.3% | -1.2% | -0.1% | -0.6% | 0.1% | 1.0% | 0.5% | 0.9% | | | |
| Q4 | 2.5% | 0.2% | -1.0% | 0.8% | 0.7% | 0.7% | -0.3% | -1.0% | | | |
| Quarter | Materials | Communication Svs | Discretionary | Staples | Energy | Financials | Healthcare | Industrials | IT | Utilities | Real Estate |
| Q1 | 0.9% | -1.0% | 1.5% | 0.8% | 0.8% | -2.4% | -0.7% | 1.7% | 2.3% | -0.7% | -7.4% |
| Q2 | 0.6% | -4.0% | -0.4% | 1.8% | 2.2% | -1.4% | 2.8% | 0.2% | -0.4% | 0.6% | -6.5% |
| Q3 | -2.2% | -0.4% | -1.8% | 2.2% | -0.3% | 0.2% | 2.9% | -1.0% | -1.2% | 0.8% | -1.8% |
| Q4 | 1.6% | 2.1% | 1.2% | -2.1% | -2.4% | 0.2% | -2.4% | 0.8% | 2.0% | -0.7% | 3.2% |
| Size (Low vs | | | | | | | | | | | |
| Quarter | Value | Growth | Momentum | Quality | Risk | High) | | | | | |
| Q1 | -1.1% | 3.4% | 3.1% | -0.2% | 0.0% | 4.5% | | | | | |
| Q2 | -1.3% | 0.7% | 5.9% | 2.1% | -2.5% | 0.0% | | | | | |
| Q3 | 0.7% | 0.5% | 5.1% | 2.4% | -3.6% | 0.8% | | | | | |
| Q4 | 0.2% | 0.4% | 1.6% | 0.9% | 3.3% | 0.1% | | | | | |

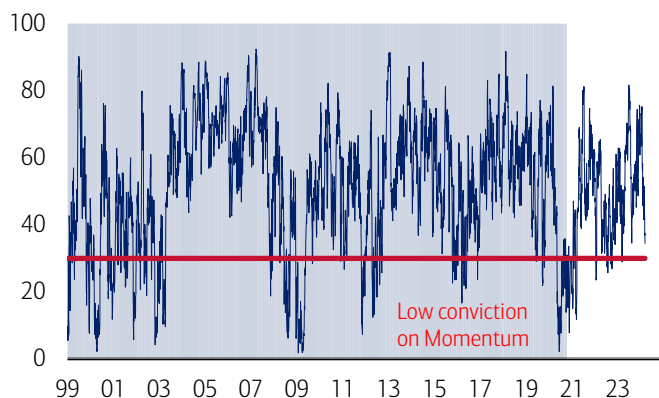
Source: BofA European Equity Quant Strategy, Refinitiv, MSCI. Note: historical average performance calculated over 1993-2023

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European Momentum Conviction Indicator

Exhibit 48: BofA European Momentum Conviction Indicator (MCI) stands at 34, above the threshold of 30 which signals a potential crash in the Momentum style

BofA European Momentum Conviction Indicator (100=High, 0 = Low)

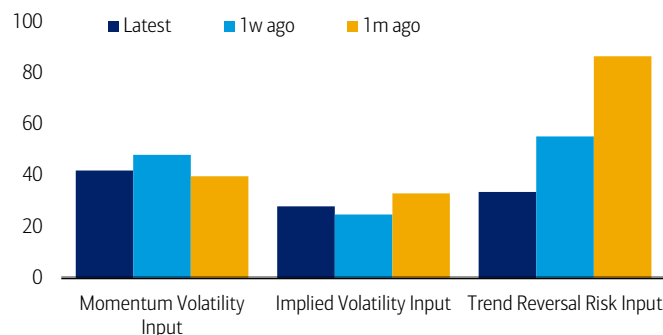


Source: BofA European Equity Quant Strategy, FactSet. Disclaimer: Performance through 06 October 2020 (shaded on the chart above) is backtested and does not represent the actual performance of any account or fund. Backtested performance depicts the theoretical (not actual) performance of a particular strategy over the time period indicated. No representation is being made that any actual portfolio is likely to have achieved returns similar to those shown herein. The indicator identified as the BofA European Conviction Momentum Indicator above is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA European Equity Quant Strategy. This indicator was not created to act as a benchmark

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Exhibit 49: Declines in Momentum Volatility and Trend Reversal Risk inputs pushed the indicator down by 8 points over the week

BofA European Momentum Conviction Indicator's inputs latest readings (100=High, 0=Low)



Source: BofA European Equity Quant Strategy, FactSet. For definitions of the inputs please see European Momentum Conviction Indicator

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Valuations

Exhibit 50: The most attractive multiple on z-score is 12m fwd Buyback yield at 1.6%, while the least attractive is 12m fwd DY at 3.8%

MSCI Europe valuation multiples

| Market | Latest Value | Historical Z-Score | 2-Year Z-Score | 5-Year Z-Score | 10-Year Z-Score | Historical Average | 2-Year Average | 5-Year Average | 10-Year Average |
|--------------------------------|--------------|--------------------|----------------|----------------|-----------------|--------------------|----------------|----------------|-----------------|
| 12m trailing P/B | 2.0 | 0.3 | 1.1 | 0.7 | 1.1 | 1.8 | 1.9 | 1.9 | 1.8 |
| Shiller P/E | 25.0 | 0.2 | 1.4 | 1.3 | 1.9 | 23.6 | 23.7 | 21.8 | 20.2 |
| 12m trailing P/E | 14.5 | -0.2 | 0.0 | -0.7 | -1.0 | 15.3 | 14.5 | 16.8 | 17.7 |
| 12m fwd P/E | 12.5 | 0.0 | 2.2 | -0.1 | -0.1 | 12.4 | 11.6 | 12.6 | 12.5 |
| 12m trailing EV/EBITDA | 8.0 | -0.1 | -0.4 | -0.9 | -0.8 | 8.0 | 8.2 | 8.9 | 8.7 |
| 12m fwd EV/EBITDA | 8.2 | 0.7 | 1.2 | -0.2 | 0.0 | 7.5 | 7.8 | 8.3 | 8.2 |
| 12m trailing Net Debt/EBITDA | 1.3 | -0.6 | 1.4 | -0.7 | -1.0 | 1.4 | 1.3 | 1.5 | 1.5 |
| 12m fwd Net Debt/EBITDA | 1.2 | -0.2 | 2.2 | -0.4 | -0.6 | 1.3 | 1.1 | 1.3 | 1.3 |
| 12m trailing Interest Coverage | 8.4 | -0.5 | 1.9 | 0.3 | -0.3 | 7.5 | 10.6 | 9.0 | 7.9 |
| 12m fwd Interest Coverage | 9.1 | -0.4 | 1.5 | 0.3 | -0.2 | 8.4 | 10.8 | 9.7 | 8.8 |
| 12m trailing DY | 3.1 | 0.6 | 0.3 | -0.1 | 0.3 | 3.7 | 3.2 | 3.1 | 3.2 |
| 12m fwd DY | 3.8 | 0.9 | 0.6 | 0.4 | 0.8 | 4.7 | 3.9 | 3.9 | 4.2 |
| 12m trailing ROE | 14.0 | -0.9 | -2.1 | -1.5 | -2.1 | 12.0 | 13.1 | 11.5 | 10.6 |
| 12m fwd ROE | 13.9 | -0.4 | 0.5 | -0.9 | -1.4 | 13.2 | 14.0 | 12.6 | 12.2 |
| 12m trailing Buyback yield | 1.7 | -1.1 | 1.0 | -0.8 | - | 1.1 | 1.9 | 1.3 | - |
| 12m fwd Buyback yield | 1.6 | -1.6 | -1.2 | 0.8 | - | 1.1 | 1.7 | 1.2 | - |
| 12m trailing Cash Yield | 5.1 | -0.8 | 0.8 | -0.5 | - | 4.5 | 5.3 | 4.7 | - |
| 12m fwd Cash Yield | 5.1 | -0.8 | 0.7 | -0.6 | - | 4.7 | 5.3 | 4.8 | - |
| 12m trailing FCF Yield | 5.1 | 0.1 | 1.8 | 0.2 | -0.3 | 5.1 | 6.0 | 5.2 | 4.9 |
| 12m fwd FCF Yield | 5.4 | 0.5 | 1.8 | 0.5 | 0.1 | 5.9 | 6.4 | 5.8 | 5.5 |

Source: BofA European Equity Quant Strategy, Refinitiv Datastream, IBES. Note: Z-scores have been inversed for 12m Trailing and Forward Return on Equity, Dividend Yield, Interest Coverage, FCF Yield, Buyback Yield, and Cash Yield. Consequently, for Dividend Yield a Z-score of -0.8 implies that the current level is 0.8 standard deviations higher than the historical average, while for the P/E ratio a Z-score of -0.8 implies that the current level is 0.8 standard deviations below the historical average.

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Appendix

Revision ratios by country, sector, style and exposure baskets

Exhibit 51: Revision ratios by country, sector, style and exposure baskets

February readings of the Sales, EPS, DPS, Price target, Buybacks, Net debt, Inventories and Capex Revision Ratios

| | Sales Revision Ratio | | | | EPS Revision Ratio | | | | Dividend Revision Ratio | | | | Price Target Revision Ratio | | | | Buybacks Revision Ratio | | | | Net Debt Revision Ratio | | | | Inventories Revision Ratio | | | | Capex Revision Ratio | | | | |
|-----------------------|----------------------|----------|---------------|---------------|--------------------|----------|---------------|---------------|-------------------------|----------|---------------|---------------|-----------------------------|----------|---------------|---------------|-------------------------|----------|---------------|---------------|-------------------------|----------|---------------|---------------|----------------------------|----------|---------------|---------------|----------------------|----------|---------------|---------------|--|
| | 1m ratio | 3m ratio | MoM: 1m ratio | MoM: 3m ratio | 1m ratio | 3m ratio | MoM: 1m ratio | MoM: 3m ratio | 1m ratio | 3m ratio | MoM: 1m ratio | MoM: 3m ratio | 1m ratio | 3m ratio | MoM: 1m ratio | MoM: 3m ratio | 1m ratio | 3m ratio | MoM: 1m ratio | MoM: 3m ratio | 1m ratio | 3m ratio | MoM: 1m ratio | MoM: 3m ratio | 1m ratio | 3m ratio | MoM: 1m ratio | MoM: 3m ratio | 1m ratio | 3m ratio | MoM: 1m ratio | MoM: 3m ratio | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Europe | 0.64 | 0.62 | 0.06 | -0.02 | 0.67 | 0.68 | 0.02 | -0.02 | 0.93 | 0.80 | 0.39 | 0.04 | 1.80 | 1.49 | -0.14 | 0.40 | 1.29 | 1.16 | 0.29 | -0.04 | 2.06 | 1.98 | 0.22 | -0.03 | 0.60 | 0.54 | 0.18 | -0.03 | 1.27 | 0.77 | 0.62 | 0.12 | |
| Countries | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| United Kingdom | 0.54 | 0.71 | -0.17 | -0.14 | 0.78 | 0.78 | 0.02 | -0.03 | 0.89 | 0.95 | -0.08 | 0.01 | 1.86 | 1.89 | -0.81 | 0.34 | 1.21 | 0.98 | 0.43 | -0.02 | 2.14 | 2.52 | -0.67 | -0.42 | 0.73 | 0.76 | 0.12 | -0.07 | 1.11 | 0.86 | 0.41 | -0.08 | |
| Germany | 0.51 | 0.45 | 0.12 | 0.04 | 0.78 | 0.60 | 0.35 | 0.02 | 0.74 | 0.63 | 0.24 | 0.01 | 2.12 | 1.45 | 0.88 | 0.37 | 2.33 | 1.33 | 1.83 | 0.12 | 1.04 | 1.17 | 0.08 | -0.21 | 0.46 | 0.43 | 0.15 | -0.01 | 1.00 | 0.55 | 0.53 | 0.13 | |
| France | 0.84 | 0.62 | 0.25 | 0.09 | 0.51 | 0.54 | -0.20 | 0.03 | 0.65 | 0.55 | 0.39 | -0.04 | 2.69 | 1.69 | 0.52 | 0.78 | 0.83 | 1.00 | -0.17 | -0.29 | 3.07 | 2.69 | 1.07 | -0.19 | 0.58 | 0.41 | 0.22 | 0.06 | 1.23 | 0.72 | 0.76 | 0.05 | |
| Switzerland | 0.51 | 0.49 | -0.01 | 0.11 | 0.40 | 0.42 | -0.05 | 0.02 | 0.94 | 0.87 | 0.06 | 0.14 | 0.91 | 0.88 | -0.20 | 0.15 | 0.50 | 0.79 | -1.50 | -0.21 | 3.63 | 2.93 | 0.51 | 0.43 | 0.58 | 0.38 | 0.34 | 0.08 | 1.43 | 0.56 | 0.88 | 0.27 | |
| Spain | 0.85 | 0.86 | 0.26 | -0.16 | 1.19 | 1.50 | 0.06 | 0.17 | 1.17 | 1.22 | 0.72 | 0.02 | 2.20 | 1.60 | 0.37 | 0.35 | 0.67 | 0.83 | 0.67 | -0.77 | 0.75 | 0.80 | -0.03 | -0.04 | 1.25 | 1.17 | 0.58 | -0.08 | 2.20 | 2.07 | -0.30 | 0.51 | |
| Italy | 0.71 | 0.72 | -0.02 | -0.28 | 0.78 | 0.84 | -0.08 | -0.13 | 1.71 | 1.09 | 1.11 | -0.05 | 2.43 | 1.54 | 0.14 | 0.56 | 0.67 | 1.33 | 0.67 | -1.67 | 2.60 | 3.42 | -2.07 | -0.88 | 2.33 | 0.82 | 2.00 | 0.16 | 0.78 | 0.76 | 0.15 | -0.20 | |
| Netherlands | 0.52 | 0.42 | 0.00 | 0.04 | 0.67 | 0.64 | -0.05 | 0.07 | 0.67 | 0.66 | 0.21 | -0.02 | 3.17 | 1.85 | 0.74 | 0.67 | 5.00 | 1.71 | 3.50 | 0.71 | 2.17 | 2.11 | 0.33 | 0.49 | 2.00 | 0.60 | 1.75 | 0.24 | 1.43 | 0.72 | 0.93 | 0.29 | |
| Sweden | 0.46 | 0.53 | 0.17 | -0.19 | 0.66 | 0.75 | 0.08 | -0.19 | 1.27 | 1.08 | 0.68 | 0.08 | 1.73 | 1.77 | -0.60 | 0.42 | 3.00 | 1.88 | 0.50 | 0.69 | 2.89 | 2.09 | 0.89 | 0.41 | 0.29 | 0.43 | 0.03 | -0.33 | 1.46 | 0.80 | 0.46 | 0.10 | |
| Sectors | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Discretionary | 0.36 | 0.39 | -0.03 | -0.09 | 0.42 | 0.56 | -0.21 | -0.12 | 0.86 | 0.63 | 0.38 | -0.04 | 1.67 | 1.13 | 0.75 | 0.37 | 2.00 | 1.15 | 1.00 | 0.09 | 2.43 | 2.25 | 0.43 | -0.46 | 0.57 | 0.49 | 0.17 | 0.01 | 1.56 | 0.73 | 1.08 | 0.17 | |
| Staples | 0.55 | 0.62 | -0.12 | -0.04 | 0.48 | 0.39 | 0.20 | -0.04 | 0.65 | 0.70 | -0.02 | -0.06 | 1.11 | 0.93 | 0.11 | 0.19 | 0.75 | 0.84 | -0.25 | -0.01 | 2.80 | 3.36 | 0.02 | -0.18 | 0.42 | 0.33 | 0.21 | 0.02 | 0.85 | 0.55 | 0.43 | 0.02 | |
| Energy | 0.41 | 0.38 | 0.26 | -0.23 | 0.21 | 0.38 | -0.25 | -0.33 | 2.33 | 1.08 | 1.76 | -0.17 | 0.38 | 0.57 | 0.00 | -0.63 | 2.00 | 0.73 | 2.00 | -0.07 | 4.50 | 5.60 | 0.00 | -1.40 | 0.11 | 0.41 | -0.39 | -0.79 | 1.75 | 1.00 | 0.75 | 0.24 | |
| Financials | 0.96 | 0.99 | -0.08 | -0.05 | 1.13 | 1.16 | -0.05 | -0.03 | 1.60 | 1.42 | 0.64 | 0.13 | 2.26 | 1.90 | -0.22 | 0.39 | 1.25 | 1.47 | -0.08 | -0.28 | 1.07 | 1.60 | -1.73 | -0.40 | 2.00 | 0.60 | 1.00 | 0.27 | 0.86 | 1.00 | 0.02 | -0.25 | |
| Health Care | 0.71 | 0.60 | 0.20 | 0.06 | 0.62 | 0.54 | 0.12 | 0.07 | 0.78 | 0.48 | 0.52 | 0.12 | 1.60 | 1.16 | 0.16 | 0.42 | 1.33 | 0.78 | 0.96 | -0.03 | 2.55 | 2.90 | 0.09 | -0.28 | 0.75 | 0.75 | 0.18 | -0.05 | 1.11 | 0.75 | 0.42 | 0.14 | |
| Industrials | 0.78 | 0.67 | 0.16 | 0.03 | 0.81 | 0.73 | 0.14 | 0.07 | 0.90 | 0.71 | 0.51 | 0.05 | 5.08 | 2.44 | 0.43 | 1.16 | 0.70 | 0.85 | -0.30 | -0.19 | 2.43 | 1.77 | 0.87 | 0.20 | 0.71 | 0.57 | 0.30 | 0.00 | 1.69 | 0.86 | 0.93 | 0.15 | |
| Materials | 0.29 | 0.32 | -0.12 | -0.01 | 0.48 | 0.46 | -0.07 | 0.00 | 0.40 | 0.46 | 0.19 | 0.04 | 0.71 | 0.88 | -0.55 | 0.00 | 0.75 | 1.60 | -0.92 | -0.51 | 2.00 | 1.86 | -0.08 | 0.05 | 0.52 | 0.34 | 0.30 | 0.07 | 1.36 | 0.55 | 1.02 | 0.20 | |
| Technology | 0.54 | 0.57 | 0.04 | 0.07 | 0.84 | 0.82 | 0.16 | 0.13 | 1.17 | 1.11 | 0.31 | 0.24 | 3.25 | 2.64 | -1.42 | 0.81 | 6.00 | 3.40 | 0.00 | 1.40 | 3.25 | 2.85 | 1.05 | 0.35 | 0.80 | 1.14 | 0.00 | -0.40 | 0.78 | 0.53 | 0.23 | 0.13 | |
| Communication Svs | 1.42 | 0.81 | 0.94 | 0.20 | 1.00 | 0.72 | 0.45 | 0.13 | 1.00 | 0.74 | 0.50 | 0.11 | 1.63 | 2.10 | -1.58 | 0.48 | 1.67 | 1.00 | 0.17 | 0.33 | 1.86 | 1.78 | 0.41 | -0.01 | 0.80 | 1.00 | -0.45 | -0.45 | 0.73 | 0.68 | -0.37 | 0.04 | |
| Utilities | 0.52 | 0.90 | -0.36 | -0.36 | 0.41 | 0.86 | -0.37 | -0.40 | 0.62 | 1.19 | -0.88 | -0.81 | 0.67 | 0.87 | -1.00 | 0.16 | - | - | - | - | 1.09 | 1.03 | 0.09 | 0.03 | 0.75 | 0.94 | -0.08 | -0.06 | 1.88 | 1.79 | 0.78 | -0.12 | |
| Real Estate | 0.75 | 0.82 | -0.17 | -0.11 | 0.93 | 0.75 | -0.07 | -0.10 | 1.67 | 1.23 | 1.10 | 0.41 | - | 10.6 | - | 7.54 | - | - | - | - | 0.67 | 0.50 | 0.24 | 0.07 | 0.33 | 0.75 | 0.33 | -0.58 | 1.20 | 0.92 | -0.30 | 0.02 | |
| Styles | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Top Value | 0.70 | 0.58 | 0.33 | -0.11 | 0.79 | 0.49 | 0.54 | -0.04 | 1.53 | 1.08 | 1.03 | 0.05 | 0.96 | 1.10 | -0.28 | 0.08 | 1.17 | 1.06 | 0.71 | -0.23 | 1.64 | 2.08 | 0.24 | -1.23 | 0.27 | 0.54 | -0.13 | -0.42 | 1.00 | 0.57 | 0.25 | 0.15 | |
| High Growth | 0.83 | 0.68 | 0.49 | -0.10 | 1.14 | 1.10 | 0.40 | -0.37 | 1.38 | 1.31 | 0.38 | -0.32 | 4.75 | 3.41 | 1.57 | 0.97 | 1.67 | 2.50 | 0.07 | -1.59 | 1.25 | 1.42 | -0.18 | -0.09 | 1.70 | 0.76 | 1.10 | 0.25 | 2.20 | 1.34 | 1.20 | 0.32 | |
| Rising Price Momentum | 1.15 | 0.94 | 0.50 | -0.21 | 0.96 | 1.05 | 0.33 | -0.65 | 1.38 | 1.25 | 0.78 | -0.43 | 8.60 | 9.29 | 2.74 | 0.69 | 1.83 | 2.12 | 0.33 | -0.57 | 1.77 | 1.56 | 0.57 | 0.31 | 1.67 | 1.32 | 0.75 | -0.13 | 2.60 | 1.48 | 1.78 | -0.07 | |
| High Quality | 1.10 | 0.66 | 0.73 | 0.04 | 0.50 | 0.53 | 0.13 | -0.12 | 0.56 | 0.66 | -0.04 | -0.08 | 3.00 | 2.11 | 1.06 | 0.53 | 1.50 | 1.07 | 0.70 | 0.11 | 5.43 | 3.47 | 1.05 | 0.70 | 0.95 | 0.86 | 0.23 | -0.03 | 1.47 | 0.91 | 0.75 | 0.11 | |
| High Risk | 0.48 | 0.43 | 0.21 | -0.07 | 0.32 | 0.49 | -0.21 | -0.17 | 0.63 | 0.70 | -0.01 | 0.04 | 1.94 | 1.48 | 0.52 | 0.31 | 0.89 | 1.04 | 0.03 | -0.17 | 2.44 | 1.66 | 1.06 | 0.24 | 0.50 | 0.55 | -0.09 | -0.13 | 2.13 | 1.08 | 0.91 | 0.21 | |
| Low Size | 0.68 | 0.61 | -0.07 | 0.09 | 0.48 | 0.48 | 0.18 | -0.10 | 1.16 | 0.95 | 0.32 | 0.27 | 1.76 | 1.60 | -0.85 | 0.54 | 1.00 | 1.00 | 0.00 | 0.09 | 1.50 | 1.74 | -0.06 | -0.14 | 0.27 | 0.51 | -0.37 | -0.13 | 1.11 | 0.84 | 0.16 | 0.09 | |
| Exposure Baskets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Developed Europe | 1.07 | 0.96 | 0.38 | -0.04 | 0.82 | 0.80 | 0.19 | -0.10 | 1.11 | 1.09 | 0.12 | 0.06 | 1.99 | 1.62 | -0.24 | 0.48 | 1.67 | 1.09 | 0.84 | 0.05 | 1.50 | 1.42 | 0.30 | -0.03 | 0.79 | 0.82 | 0.03 | -0.04 | 1.70 | 1.23 | 0.59 | 0.16 | |
| USA | 0.56 | 0.50 | 0.20 | -0.01 | 0.60 | 0.55 | 0.22 | -0.12 | 1.01 | 0.67 | 0.66 | 0.03 | 2.67 | 2.04 | -0.19 | 0.56 | 1.63 | 1.50 | 0.26 | -0.09 | 1.74 | 1.86 | -0.17 | -0.17 | 0.67 | 0.54 | 0.21 | 0.02 | 0.89 | 0.68 | 0.37 | 0.04 | |
| EM | 0.62 | 0.39 | 0.40 | 0.07 | 0.49 | 0.48 | 0.15 | 0.03 | 0.58 | 0.61 | 0.14 | -0.02 | 1.22 | 0.96 | 0.08 | 0.26 | 1.27 | 1.19 | -0.73 | 0.16 | 3.38 | 2.52 | 1.12 | 0.36 | 0.49 | 0.40 | 0.17 | 0.01 | 1.30 | 0.70 | 0.63 | 0.22 | |
| Global Diversified | 0.68 | 0.56 | 0.16 | -0.02 | 0.55 | 0.73 | -0.20 | 0.02 | 0.60 | 0.66 | 0.12 | 0.03 | 1.36 | 1.24 | -0.25 | 0.29 | 1.50 | 2.13 | -2.50 | -0.10 | 1.63 | 1.42 | 0.35 | -0.09 | 0.38 | 0.52 | 0.00 | -0.12 | 0.91 | 0.59 | 0.46 | 0.10 | |

Source: BofA European Equity Quant Strategy, IBES, Factset, MSCI

BofA GLOBAL RESEARCH

Latest C-suite changes, insider trading and buyback program screens

Exhibit 52: Partners, DSV and Orsted are the largest companies in Europe that saw C-suite changes last month

Latest European companies which saw CEO/President/CFO change effective in February 2024

| BBG Ticker | Name | Sector | Country | New CEO | New CEO Effective Date | New President | New President Effective Date | New CFO | New CFO Effective Date |
|------------|-------------------|---------------|-------------|-----------------------------|------------------------|------------------------|------------------------------|-------------------------------|------------------------|
| BYIT LN | Bytes Technology | Technology | UK | Samantha Jayne Mudd | 21/02/2024 | | | | |
| STORB SS | Storskogen | Industrials | Sweden | Christer Hansson | 19/02/2024 | | | | |
| | | | | Daniel Ernest Henri Julien; | | | | | |
| TEP FP | Teleperformance | Industrials | France | Bhupender Singh | 15/02/2024 | | | | |
| KGH PW | KGHM Polska Miedz | Materials | Poland | Zbigniew Bryja | 14/02/2024 | Zbigniew Bryja | 14/02/2024 | Zbigniew Bryja | 14/02/2024 |
| KEMIRA FH | Kemira | Materials | Finland | Antti Kalevi Salminen | 12/02/2024 | Antti Kalevi Salminen | 12/02/2024 | | |
| PKN PW | ORLEN | Energy | Poland | Witold Literacki | 07/02/2024 | | | | |
| BT/A LN | BT | Comm. Svs | UK | Allison Kirkby | 01/02/2024 | | | | |
| DSV DC | DSV | Industrials | Denmark | Jens Hesselberg Lund | 01/02/2024 | | | | |
| BAER SW | Julius Baer | Financials | Switzerland | Nic Dreckmann | 01/02/2024 | | | | |
| KBCA BB | KBC Ancora | Financials | Belgium | Frederik Vandepitte | 01/02/2024 | | | | |
| KESKOB FH | Kesko | Staples | Finland | Jorma Antero Rauhala | 01/02/2024 | Jorma Antero Rauhala | 01/02/2024 | | |
| SESG FP | SES | Comm. Svs | France | Adel Bedry Al-Saleh | 01/02/2024 | | | | |
| TELIA SS | Telia | Comm. Svs | Sweden | Patrik Eduard Hofbauer | 01/02/2024 | Patrik Eduard Hofbauer | 01/02/2024 | | |
| 888 LN | 888 | Discretionary | UK | | | | | Sean Ernest Wilkins | 01/02/2024 |
| BPOST BB | bpost | Industrials | Belgium | | | | | Phillippe Dartienne | 01/02/2024 |
| GNC LN | Greencore | Staples | UK | | | | | Catherine Gubbins | 06/02/2024 |
| INTRUM SS | Intrum | Industrials | Sweden | | | | | Emil Folkesson | 16/02/2024 |
| PGHN SW | Partners | Financials | Switzerland | | | | | Joris Gröflin | 01/02/2024 |
| B4B GR | METRO | Staples | Germany | | | | | Eric Riegger | 01/02/2024 |
| ORSTED DC | Orsted | Utilities | Denmark | | | | | Trond Ødegård Westlie | 27/02/2024 |
| AKH NO | Aker Horizons | Industrials | Norway | | | | | Kristoffer Dahlberg | 01/02/2024 |
| POM FP | Plastic Omnium | Discretionary | France | | | | | Olivier Dabi | 01/02/2024 |
| BOO LN | boohoo | Discretionary | UK | | | | | Stephen Morana | 19/02/2024 |
| CTYIS FH | Citycon | Real Estate | Finland | | | | | Sakari Järvelä | 01/02/2024 |
| SQZ LN | Serica Energy | Energy | UK | | | | | Martin Francis David Copeland | 01/02/2024 |
| MEKO SS | MEKO | Discretionary | Sweden | | | | | Christer Johansson | 19/02/2024 |
| ENQ LN | Enquest | Energy | UK | | | | | Jonathan Michael Copus | 01/02/2024 |
| BYIT LN | Bytes Technology | Technology | UK | Samantha Jayne Mudd | 21/02/2024 | | | | |

Source: BofA European Equity Quant Strategy, Factset. Disclaimer: The screen above is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. This screen was not created to act as a benchmark.

BofA GLOBAL RESEARCH

Exhibit 53: LVMH, Nestle and HSBC are the largest companies that saw net insider buying in February 2024

Top 25 European stocks with the largest net insider buying in February 2024 (shares bought – sold as percentage of total outstanding shares)

| BBG Ticker | Name | Industry | Country | No of shares purchased | No of shares sold | Net % of shares outstanding bought | Mkt value of net shares outstanding bought (EUR mn) |
|------------|--------------------------|------------------------|----------------|------------------------|-------------------|------------------------------------|---|
| DIM FP | Sartorius Stedim Biotech | Health Care | France | 3,433,478 | 0 | 3.72 | 800.00 |
| MC FP | LVMH | Consumer Discretionary | France | 101,538 | 0 | 0.02 | 80.11 |
| HMB SS | H&M Hennes & Mauritz | Consumer Discretionary | Sweden | 6,234,475 | 0 | 0.43 | 79.91 |
| BMW GR | BMW | Consumer Discretionary | Germany | 481,923 | 0 | 0.08 | 48.55 |
| SW FP | Sodexo | Consumer Discretionary | France | 600,000 | 0 | 0.41 | 46.67 |
| SAND SS | Sandvik | Industrials | Sweden | 2,201,375 | 0 | 0.18 | 42.57 |
| ACS SM | ACS Actividades | Industrials | Spain | 983,600 | 0 | 0.35 | 38.66 |
| DANSKE DC | Danske Bank | Financials | Denmark | 1,687,392 | -217,532 | 0.17 | 38.34 |
| HSBA LN | HSBC | Financials | United Kingdom | 5,632,930 | -559,974 | 0.03 | 35.41 |
| VOLVB SS | Volvo | Industrials | Sweden | 1,212,000 | -10,500 | 0.08 | 27.14 |
| SCAB SS | Svenska Cellulosa | Materials | Sweden | 1,810,000 | 0 | 0.28 | 22.87 |
| PNDORA DC | Pandora | Consumer Discretionary | Denmark | 142,875 | 0 | 0.16 | 20.88 |
| RCO FP | Remy Cointreau | Consumer Staples | France | 152,585 | 0 | 0.30 | 18.11 |
| GMAB DC | Genmab | Health Care | Denmark | 61,000 | 0 | 0.09 | 16.35 |
| INDUA SS | Industrivarden | Financials | Sweden | 500,000 | 0 | 0.28 | 15.25 |
| COLR BB | Colruyt | Consumer Staples | Belgium | 272,700 | 0 | 0.21 | 10.59 |
| URLA FP | Verallia | Materials | France | 286,180 | 0 | 0.23 | 9.38 |
| DG FP | VINCI | Industrials | France | 71,257 | -3,500 | 0.01 | 7.70 |
| MAERSKB DC | A.P. Moller – Maersk B | Industrials | Denmark | 17,383 | -13,912 | 0.05 | 5.84 |
| NESN SW | Nestle | Consumer Staples | Switzerland | 48,757 | 0 | 0.00 | 5.00 |
| NEX FP | Nexans | Industrials | France | 51,979 | 0 | 0.12 | 4.82 |
| ROCKB DC | ROCKWOOL | Industrials | Denmark | 13,500 | 0 | 0.12 | 3.98 |
| NETC DC | Netcompany | Information Technology | Denmark | 101,000 | 0 | 0.20 | 3.95 |
| ISS DC | ISS A/S | Industrials | Denmark | 230,000 | 0 | 0.12 | 3.89 |
| MING NO | SpareBank 1 SMN | Financials | Norway | 287,082 | 0 | 0.20 | 3.67 |

Source: BofA European Equity Quant Strategy, Factset. Disclaimer: The screen above is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. This screen was not created to act as a benchmark.

BofA GLOBAL RESEARCH

Exhibit 54: Hermes, L'Oreal and Novartis are the largest companies that saw net insider selling in February 2024

Top 25 European stocks with the largest net insider selling in February 2024 (shares sold – bought as percentage of total outstanding shares)

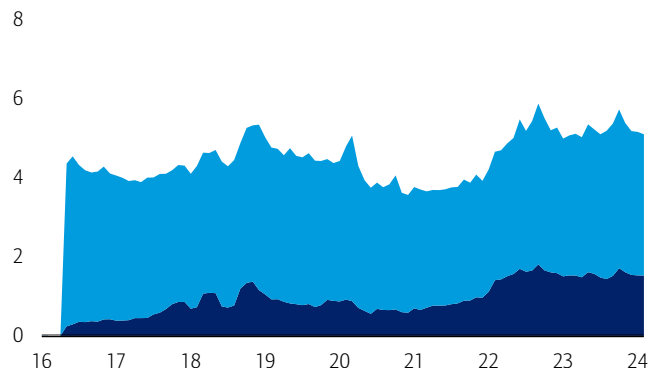
| BBG Ticker | Name | Industry | Country | No of shares purchased | No of shares sold | Net % of shares outstanding sold | Mkt value of net shares outstanding sold (EUR mn) |
|------------|--------------------------|------------------------|----------------|------------------------|-------------------|----------------------------------|---|
| TEL2B SS | Tele2 | Communication Services | Sweden | 0 | -31,329,970 | -4.67 | -260.90 |
| GLO FP | GL Events | Industrials | France | 0 | -2,398,623 | -8.00 | -44.13 |
| REL LN | RELX | Industrials | United Kingdom | 0 | -1,115,144 | -0.06 | -43.89 |
| EQT SS | EQT | Financials | Sweden | 418,630 | -1,400,000 | -0.08 | -26.25 |
| BOOZT SS | Boozt | Consumer Discretionary | Sweden | 0 | -1,908,000 | -2.87 | -21.55 |
| RIO LN | Rio Tinto | Materials | United Kingdom | 0 | -351,874 | -0.03 | -21.43 |
| GSK LN | GSK | Health Care | United Kingdom | 2,962 | -922,852 | -0.02 | -20.04 |
| OR FP | L'Oreal | Consumer Staples | France | 272 | -20,000 | 0.00 | -8.81 |
| MYCR SS | Mycronic | Information Technology | Sweden | 0 | -157,231 | -0.16 | -4.57 |
| SL IM | Sanlorenzo | Consumer Discretionary | Italy | 0 | -89,453 | -0.26 | -3.88 |
| LISN SW | Lindt & Spruengli | Consumer Staples | Switzerland | 0 | -320 | -0.03 | -3.85 |
| UBSG SW | UBS | Financials | Switzerland | 0 | -150,000 | 0.00 | -3.72 |
| RMS FP | Hermes | Consumer Discretionary | France | 0 | -1,636 | 0.00 | -3.53 |
| CFR SW | Cie Financiere Richemont | Consumer Discretionary | Switzerland | 0 | -25,239 | 0.00 | -3.47 |
| IMB LN | Imperial Brands | Consumer Staples | United Kingdom | 0 | -157,283 | -0.02 | -3.32 |
| LOGN SW | Logitech | Information Technology | Switzerland | 650 | -38,760 | -0.02 | -3.11 |
| CCH LN | Coca-Cola HBC | Consumer Staples | United Kingdom | 1,926 | -39,335 | -0.01 | -2.59 |
| SKG ID | Smurfit Kappa | Materials | Ireland | 0 | -50,000 | -0.02 | -2.18 |
| SAAAB SS | Saab | Industrials | Sweden | 914 | -28,770 | -0.02 | -1.93 |
| RAND NA | Randstad | Industrials | Netherlands | 0 | -36,747 | -0.02 | -1.90 |
| NOVN SW | Novartis | Health Care | Switzerland | 0 | -17,627 | 0.00 | -1.71 |
| DSY FP | Dassault Systemes | Information Technology | France | 20,000 | -60,000 | 0.00 | -1.66 |
| ISP IM | Intesa Sanpaolo | Financials | Italy | 0 | -522,081 | 0.00 | -1.51 |
| ABBN SW | ABB | Industrials | Switzerland | 0 | -27,000 | 0.00 | -1.08 |
| LR FP | Legrand | Industrials | France | 0 | -10,900 | 0.00 | -0.98 |

Source: BofA European Equity Quant Strategy, Factset. Disclaimer: The screen above is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. This screen was not created to act as a benchmark.

BofA GLOBAL RESEARCH

Exhibit 55: The expected 12m fwd cash yield ticked down last month to 5.1%, with expected 1.5% yield on buyback and 3.6% on dividends

12m fwd expected buyback (dark blue) and dividend yield (light blue) for Europe Stoxx 600 index

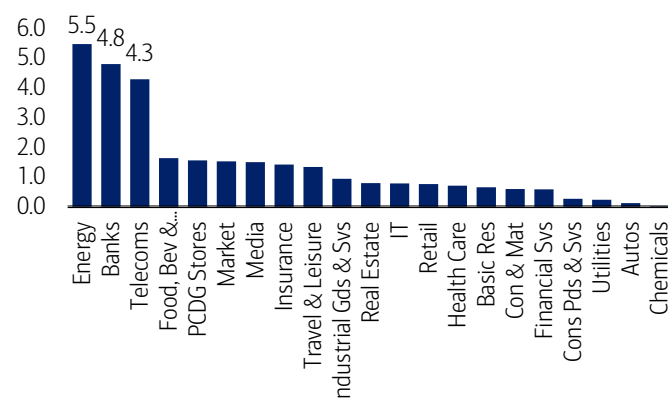


Source: BofA European Equity Quant Strategy, FactSet

BofA GLOBAL RESEARCH

Exhibit 56: Energy, Banks and Telecoms show the highest 12m fwd expected buyback yield

12m fwd expected buyback yield by European sector (%)



Source: BofA European Equity Quant Strategy, FactSet

BofA GLOBAL RESEARCH

Exhibit 57: There were 61 new buyback programs announced in Europe in the last month

European companies that have announced new buyback programs in February 2024

| | | | | Announcement | | |
|-----------------|-------------------|-------------|----------------------------|--------------|--|--|
| BBG Ticker Name | Country | Sector | date | Value | Expiry date | |
| DBK GR | Deutsche Bank | Germany | Banks | 01/02/2024 | EUR 675mn | first half of 2024 so by 30/06/2024 |
| SAB SM | Banco De Sabadell | Spain | Banks | 01/02/2024 | EUR 340mn | program has been announced but exact details on expiry will follow soon |
| BNP FP | BNP Paribas | France | Banks | 01/02/2024 | EUR 1.05bn | program is for 2024 so before 31/12/2024 |
| DSV DC | DSV | Denmark | Industrial Gds & Svs | 01/02/2024 | DKK 1bn (1.7mn shares) | 23/04/2024 |
| SHEL LN | Shell | UK | Energy | 01/02/2024 | USD 3.5bn | 02/05/2024 |
| DANSKE DC | Danske Bank | Denmark | Banks | 02/02/2024 | USD 800mn | program is for 2024 so before 31/12/2024 |
| UCG IM | Unicredit | Italy | Banks | 05/02/2024 | EUR 5.6bn (out of which EUR 1.1bn is from October 2023 announced buyback of EUR 2.5bn) | program is for 2024 so by 31/12/2024 (EUR 1.1bn of October 2023 buybacks will be returned by 31/03/2024 and rest is subject to shareholder approval) |
| BEI GR | Beiersdorf | Germany | PCDG Stores | 05/02/2024 | EUR 500mn | program to begin in May 2024 and end by 31/12/2024 |
| BP/ LN | BP | UK | Energy | 06/02/2024 | USD 3.5bn (out of which USD 1.75bn will be executed prior to Q1 '24 reporting) | 30/06/2024 |
| ISP IM | Intesa Sanpaolo | Italy | Banks | 06/02/2024 | around 55 bps of its common equity tier 1 ratio as at Dec. 31, 2023 (approx. EUR 1.7bn) | program will be launched in June 2024 so further details will be announced along with launch |
| EQNR NO | Equinor | Norway | Energy | 07/02/2024 | USD 10-12bn of buyback for 2024/25 out of which USD 6bn for 2024 (first tranche of USD 1.2bn will start from 08/02/2024 and end by 05/04/2024) | program is for 2 years so by 31/12/2025 |
| STB NO | Storebrand | Norway | Insurance | 07/02/2024 | NOK 400mn | 03/04/2024 |
| PNDORA DC | Pandora | Denmark | Consumer Pds & Svs | 07/02/2024 | DKK 4bn (first tranche of DKK 1.3bn will run from 08/02/2024 to 01/07/2024) | 31/01/2025 |
| CARLB DC | Carlsberg | Denmark | Food, Bev & Tobacco | 07/02/2024 | DKK 1bn | 19/04/2024 |
| ULVR LN | Unilever | UK | PCDG Stores | 08/02/2024 | EUR 1.5bn | program is for 2024 so by 31/12/2024 (program will launch in Q2) |
| ROCKB DC | Rockwool | Denmark | Construction and Materials | 08/02/2024 | EUR 160mn | 07/02/2025 |
| PUB FP | Publicis | France | Media | 08/02/2024 | EUR 200mn | 31/05/2024 |
| SIE GR | Siemens | Germany | Industrial Gds & Svs | 12/02/2024 | EUR 6bn (approx 80mn shares) | 31/01/2029 |
| ML FP | Michelin | France | Automobiles and Parts | 12/02/2024 | EUR 1bn | program is for 2024-2026 so by 31/12/2026 |
| GALP PL | Galp Energia | Portugal | Energy | 12/02/2024 | EUR 350mn | 13/12/2024 |
| ABN NA | ABN Amro Bank | Netherlands | Banks | 14/02/2024 | EUR 500mn | 30/06/2024 |
| GMAB DC | Genmab | Denmark | Health Care | 14/02/2024 | 190,000 shares | 15/03/2024 |
| VPK NA | Royal VPK | Netherlands | Industrial Gds & Svs | 14/02/2024 | EUR 300mn | 31/12/2024 |
| STLAM IM | Stellantis | Netherlands | Automobiles and Parts | 15/02/2024 | EUR 3bn | 31/12/2024 |
| REL LN | Relx | UK | Media | 15/02/2024 | GBP 1bn (first tranche of GBP 250mn will run until 24/04/2024) | 31/12/2024 |
| NWG LN | Natwest | UK | Banks | 16/02/2024 | GBP 300mn | 18/07/2024 (might get extended till 15/08/2024) |
| NEX FP | Nexans | France | Industrial Gds & Svs | 16/02/2024 | 175,000 shares | 31/03/2024 |
| SAN SM | Santander | Spain | Banks | 19/02/2024 | EUR 1.46bn | program will end by next June so by 30/06/2025 |

Exhibit 57: There were 61 new buyback programs announced in Europe in the last month

European companies that have announced new buyback programs in February 2024

| BBG Ticker Name | | Country | Sector | Announcement date | Value | Expiry date |
|-----------------|----------------------|-------------|----------------------------|-------------------|---|--|
| NXT LN | Next | UK | Retail | 19/02/2024 | acquisitions will be effected within certain pre-set parameters | 20/03/2024 |
| BARC LN | Barclays | UK | Banks | 20/02/2024 | GBP 1bn | 20/11/2024 |
| CA FP | Carrefour | France | PCDG Stores | 20/02/2024 | EUR 700mn | program to take place in the course of 2024 so by 31/12/2024 |
| IHG LN | IHG | UK | Travel and Leisure | 20/02/2024 | USD 800mn | 27/12/2024 |
| ENG SM | Enagas | Spain | Energy | 20/02/2024 | EUR 6.2mn (430,000 shares) | 20/08/2024 |
| HSBA LN | HSBC | UK | Banks | 21/02/2024 | USD 2bn | 26/04/2024 |
| WKL NA | Wolters Kluwer | Netherlands | Media | 21/02/2024 | EUR 1bn | program is for 2024 so by 31/12/2024 |
| AI FP | Air Liquide | France | Chemicals | 21/02/2024 | EUR 168.2mn | share repurchase period will be disclosed in a dedicated press release |
| LLOY LN | Lloyds Banking | UK | Banks | 22/02/2024 | GBP 2bn | 31/12/2024 |
| REP SM | Repsol | Spain | Energy | 22/02/2024 | EUR 5.4bn | program is for 2024 to 2027 so by 31/12/2027 |
| ZURN SW | Zurich Insurance | Switzerland | Insurance | 22/02/2024 | CHF 1.1bn | program details to follow soon |
| ISS DC | Iss | Denmark | Industrial Gds & Svs | 22/02/2024 | DKK 1bn | 19/02/2025 |
| CS FP | Axa | France | Insurance | 22/02/2024 | EUR 1.6bn (EUR 1.1bn annual buyback program + EUR 0.5bn dilutive share buyback related to the reinsurance agreement) | annual program so before 31/12/2024 |
| HEI GR | Heidelberg Materials | Germany | Construction and Materials | 22/02/2024 | EUR 1.2bn | program to complete by end of 2026 so 31/12/2026 |
| ALV GR | Allianz | Germany | Insurance | 23/02/2024 | EUR 1bn (will start in early March) | 31/12/2024 |
| STAN LN | Standard Chartered | UK | Banks | 23/02/2024 | USD 1bn (will start imminently) | 23/08/2024 |
| MUV2 GR | Munich Re | Germany | Insurance | 26/02/2024 | EUR 1.5bn | program will start in April-24 and will run till 30/04/2025 |
| IFX GR | Infineon Tech | Germany | Technology | 26/02/2024 | EUR 300mn | 28/03/2024 |
| BIRG ID | Bank Of Ireland | Ireland | Banks | 27/02/2024 | EUR 250mn | 18/12/2024 |
| ASM NA | ASM International | Netherlands | Technology | 27/02/2024 | EUR 150mn | program is for 2024/25 so before 31/12/2025 |
| HOLN SW | Holcim | Switzerland | Construction and Materials | 28/02/2024 | CHF 1bn | 31/12/2024 |
| GLB ID | Glanbia | Ireland | Food, Bev & Tobacco | 28/02/2024 | EUR 100mn (first tranche of EUR 50mn starts on 28/02/2024) | 19/12/2024 |
| SYDB DC | Sydbank | Denmark | Banks | 28/02/2024 | DKK 1.2bn | 31/01/2025 |
| DG FP | Vinci | France | Construction and Materials | 28/02/2024 | EUR 5bn | 08/10/2025 (will be submitted for approval on 09/04/2024) |
| TEL NO | Telenor | Norway | Telecommunications | 29/02/2024 | NOK 70.4mn (max 1,408,636 shares) | 08/03/2024 |
| HLN LN | Haleon | UK | Health Care | 29/02/2024 | GBP 500mn | program is for 2024 so before 31/12/2024 |
| PUM GR | Puma | Germany | Consumer Pds & Svs | 29/02/2024 | EUR 100mn | 06/05/2025 |
| SRP LN | Serco | UK | Industrial Gds & Svs | 29/02/2024 | GBP 140mn | program is for 2024 so before 31/12/2024 |
| CRH LN | CRH | Ireland | Construction and Materials | 29/02/2024 | USD 300mn | 09/05/2024 |
| EBS AV | Erste Bank | Austria | Banks | 29/02/2024 | EUR 500mn | program is for 2024 so before 31/12/2024 (awaiting ECB's approval) |
| EMG LN | Man | UK | Financial Services | 29/02/2024 | USD 50mn | short term program but no specific details announced yet |
| TE FP | Technip Energies | France | Energy | 29/02/2024 | EUR 100mn (€70 million to purchase common shares for cancellation and up to €30 million to be used to fulfil the Company's obligations under equity compensation plans) | 31/12/2024 |
| NN NA | NN | Netherlands | Insurance | 29/02/2024 | EUR 300mn | program to run for 9 months from 02/04/2024 so before 01/01/2025 |

Source: Refinitiv, Bloomberg

BofA GLOBAL RESEARCH

European Momentum Conviction Indicator

We launched our European Momentum Conviction Indicator on 06 October 2020. This indicator aims to identify episodes where volatility of a cross-sectional approach to Momentum investing is too high to support consistent returns or when trends might break. We use three inputs to construct the indicator, these inputs are equally weighted and form an indicator scaled from 0-100 (100 = highest conviction in positive Momentum performance, 0 = lowest conviction):



- a) **Momentum Volatility Risk:** Volatility of Momentum performance for risk-management is crucial as uncertainty on the economic cycle rises. High levels of volatility can compromise Momentum's performance. Since the strategy's volatility tends to be clustered, we use a GARCH (1, 1) model to forecast 1-step-ahead volatility levels and adjust the exposure to Momentum accordingly (high volatility levels = low confidence in Momentum).
- b) **Implied Volatility for Equities:** Large Momentum drawdowns tend to occur following turning points in market cycles. We use a combination of fast- and slow- moving averages of implied volatility in European markets to detect volatility shocks and retracement. A warning signal against Momentum is given when implied volatility retraces following a volatility shock. This often corresponds to the start of a recovery phase following a recessionary episode.
- c) **Trend Reversal Risk:** This is a contrarian signal monitoring the 2nd derivative of Momentum's short-term performance. This input identifies episodes where Momentum's performance has accelerated near term – signalling the formation of a potential "Momentum bubble" or an episode of potential profit booking. We estimate the risk of trend reversal using the month-on-month difference in trends of the Momentum strategy.

We define a Momentum crash as a drawdown of the 12m price momentum long-short strategy exceeding 10% over 20 trading days. Since the performance of the strategy is computed on a daily basis, we define unique drawdown events as the maximum drawdown of the strategy over a 2-month window (1 month look-back, 1 month look forward). Following this methodology, we identify 30 Momentum crashes from January 1999 to September 2020. A Momentum crash is said to be correctly predicted if any of the input of the European Momentum Conviction Indicator is less than 50 (bearish signal on Momentum) 20 days prior to the drawdown event.

Using the definitions above, our backtested results suggest that the inputs of the European Momentum Conviction Indicator would have correctly identified 28 of these 30 drawdowns (i.e., sending a bearish signal 20 trading days prior to the event).

Exhibit 58: Backtested (shaded) and live results of the European Momentum Conviction Indicator

Momentum Conviction Indicator and its inputs readings 1, 4, 8 weeks before the momentum crashes

| 1 Week Before the Crash (defined as local minimum of 4W performance) | | | | | | 4 Weeks Before the Crash | | | | | | 8 Weeks Before the Crash (defined as local minimum of 4W performance) | | | | | |
|--|------------|--------------------|-------|------------|------|--------------------------|------------|--------------------|-------|------------|------|---|------------|--------------------|-------|------------|------|
| Date | Momentum | | | 1W Forward | | Date | Momentum | | | 4W Forward | | Date | Momentum | | | 8W Forward | |
| | Volatility | Implied Volatility | Trend | Reversal | EMCI | | Volatility | Implied Volatility | Trend | Reversal | EMCI | | Volatility | Implied Volatility | Trend | Reversal | EMCI |
| 10-Feb-99 | 37 | 1 | 7 | 15 | -3% | 20-Jan-99 | 17 | 1 | 6 | 8 | -20% | 04-Jan-99 | 7 | 38 | 22 | -12% | |
| 29-Apr-99 | 71 | 12 | 51 | 45 | -4% | 08-Apr-99 | 96 | 3 | 47 | 49 | -12% | 11-Mar-99 | 98 | 1 | 5 | 35 | -14% |
| 28-Mar-00 | 2 | 12 | 13 | 9 | -26% | 07-Mar-00 | 8 | 15 | 4 | 9 | -49% | 08-Feb-00 | 0 | 73 | 1 | 24 | -31% |
| 04-Aug-00 | 42 | 89 | 27 | 53 | 1% | 14-Jul-00 | 38 | 95 | 61 | 65 | -14% | 16-Jun-00 | 17 | 86 | 43 | 48 | -7% |
| 11-Oct-00 | 37 | 6 | 25 | 23 | 0% | 20-Sep-00 | 34 | 51 | 95 | 60 | -16% | 23-Aug-00 | 52 | 83 | 95 | 77 | -9% |
| 06-Dec-00 | 23 | 32 | 13 | 23 | -6% | 15-Nov-00 | 34 | 15 | 40 | 30 | -26% | 18-Oct-00 | 36 | 35 | 37 | 36 | -29% |
| 25-Apr-01 | 10 | 55 | 53 | 39 | -9% | 03-Apr-01 | 27 | 94 | 38 | 53 | -24% | 06-Mar-01 | 39 | 36 | 59 | 44 | -7% |
| 12-Nov-01 | 13 | 38 | 46 | 33 | -15% | 22-Oct-01 | 12 | 98 | 32 | 47 | -26% | 24-Sep-01 | 30 | 100 | 35 | 55 | -36% |
| 29-Oct-02 | 5 | 3 | 11 | 6 | -10% | 08-Oct-02 | 5 | 96 | 58 | 53 | -25% | 10-Sep-02 | 17 | 91 | 52 | 53 | -4% |
| 23-Apr-03 | 28 | 93 | 36 | 52 | -6% | 01-Apr-03 | 21 | 16 | 32 | 23 | -25% | 04-Mar-03 | 19 | 2 | 18 | 13 | -22% |
| 11-Jun-03 | 47 | 94 | 29 | 56 | 0% | 21-May-03 | 37 | 95 | 38 | 57 | -16% | 23-Apr-03 | 28 | 93 | 36 | 52 | -25% |
| 25-Jul-03 | 79 | 76 | 78 | 78 | -4% | 04-Jul-03 | 67 | 92 | 25 | 61 | -11% | 06-Jun-03 | 51 | 94 | 29 | 58 | -9% |
| 01-Jun-06 | 31 | 95 | 83 | 70 | -7% | 11-May-06 | 71 | 35 | 85 | 64 | -13% | 12-Apr-06 | 77 | 41 | 76 | 65 | -10% |
| 05-Aug-08 | 5 | 9 | 37 | 17 | -8% | 15-Jul-08 | 19 | 28 | 56 | 34 | -36% | 17-Jun-08 | 31 | 8 | 57 | 32 | -24% |
| 11-Dec-08 | 3 | 79 | 53 | 45 | 4% | 20-Nov-08 | 5 | 99 | 13 | 39 | -20% | 23-Oct-08 | 6 | 100 | 6 | 37 | -2% |
| 30-Mar-09 | 2 | 3 | 12 | 6 | -16% | 09-Mar-09 | 1 | 1 | 23 | 8 | -51% | 09-Feb-09 | 2 | 0 | 24 | 9 | -28% |
| 30-Jul-09 | 49 | 85 | 51 | 62 | -7% | 09-Jul-09 | 47 | 59 | 53 | 53 | -18% | 11-Jun-09 | 41 | 92 | 39 | 57 | -8% |

Exhibit 58: Backtested (shaded) and live results of the European Momentum Conviction Indicator

Momentum Conviction Indicator and its inputs readings 1, 4, 8 weeks before the momentum crashes

| 1 Week Before the Crash (defined as local minimum of 4W performance) | | | | | | 4 Weeks Before the Crash | | | | | | 8 Weeks Before the Crash (defined as local minimum of 4W performance) | | | | | |
|--|------------|--------------------|----------|------|---------------------|--------------------------|------------|--------------------|----------|------|---------------------|---|------------|--------------------|----------|------|---------------------|
| Date | Momentum | | Trend | | 1W Forward Momentum | Date | Momentum | | Trend | | 4W Forward Momentum | Date | Momentum | | Trend | | 8W Forward Momentum |
| | Volatility | Implied Volatility | Reversal | EMCI | Returns | | Volatility | Implied Volatility | Reversal | EMCI | Returns | | Volatility | Implied Volatility | Reversal | EMCI | Returns |
| 01-Feb-11 | 28 | 40 | 41 | 36 | 0% | 11-Jan-11 | 57 | 29 | 52 | 46 | -16% | 14-Dec-10 | 30 | 29 | 77 | 45 | -8% |
| 03-Oct-11 | 12 | 97 | 36 | 48 | -7% | 12-Sep-11 | 38 | 98 | 21 | 52 | -25% | 15-Aug-11 | 17 | 98 | 58 | 58 | -8% |
| 27-Jan-12 | 27 | 87 | 24 | 46 | -1% | 06-Jan-12 | 44 | 23 | 47 | 38 | -18% | 08-Dec-11 | 23 | 2 | 57 | 27 | -9% |
| 14-Aug-12 | 26 | 35 | 34 | 32 | -5% | 24-Jul-12 | 35 | 67 | 46 | 49 | -19% | 26-Jun-12 | 27 | 13 | 44 | 28 | -14% |
| 08-Apr-14 | 50 | 47 | 81 | 59 | -6% | 18-Mar-14 | 65 | 68 | 86 | 73 | -10% | 18-Feb-14 | 76 | 60 | 89 | 75 | -9% |
| 19-Oct-15 | 23 | 22 | 48 | 31 | 2% | 28-Sep-15 | 49 | 89 | 33 | 57 | -12% | 31-Aug-15 | 41 | 91 | 67 | 67 | 1% |
| 24-Feb-16 | 16 | 89 | 73 | 59 | -9% | 03-Feb-16 | 33 | 77 | 61 | 57 | -15% | 06-Jan-16 | 46 | 10 | 38 | 31 | -10% |
| 15-Apr-16 | 11 | 37 | 27 | 25 | -7% | 24-Mar-16 | 31 | 58 | 66 | 51 | -12% | 25-Feb-16 | 14 | 88 | 74 | 59 | -21% |
| 07-Nov-16 | 49 | 19 | 64 | 44 | -5% | 17-Oct-16 | 50 | 22 | 67 | 46 | -11% | 19-Sep-16 | 38 | 38 | 69 | 48 | -11% |
| 19-Dec-16 | 35 | 66 | 23 | 41 | 0% | 28-Nov-16 | 50 | 9 | 57 | 39 | -13% | 31-Oct-16 | 50 | 34 | 58 | 48 | -14% |
| 12-Apr-19 | 48 | 34 | 55 | 46 | -4% | 22-Mar-19 | 58 | 59 | 70 | 62 | -11% | 22-Feb-19 | 46 | 65 | 74 | 62 | -9% |
| 09-Sep-19 | 29 | 62 | 59 | 50 | -6% | 19-Aug-19 | 44 | 89 | 50 | 61 | -14% | 22-Jul-19 | 70 | 67 | 66 | 68 | -10% |
| 01-Jun-20 | 2 | 0 | 49 | 17 | -21% | 11-May-20 | 11 | 2 | 48 | 20 | -27% | 13-Apr-20 | 8 | 99 | 13 | 40 | -12% |
| 17-Nov-20 | 2 | 22 | 4 | 9 | -8% | 27-Oct-20 | 17 | 5 | 19 | 14 | -32% | 29-Sep-20 | 17 | 3 | 19 | 13 | -33% |
| 01-Mar-21 | 14 | 14 | 17 | 15 | -9% | 08-Feb-21 | 23 | 10 | 46 | 26 | -18% | 11-Jan-21 | 13 | 15 | 47 | 25 | -16% |
| 18-Jan-22 | 28 | 14 | 29 | 24 | -1% | 28-Dec-21 | 34 | 62 | 65 | 54 | -10% | 30-Nov-21 | 28 | 83 | 60 | 57 | -13% |
| 22-Jul-22 | 35 | 8 | 34 | 26 | 0% | 01-Jul-22 | 43 | 5 | 54 | 34 | -8% | 03-Jun-22 | 43 | 10 | 53 | 35 | -8% |
| 04-Nov-22 | 18 | 45 | 56 | 40 | -15% | 14-Oct-22 | 24 | 70 | 72 | 55 | -17% | 16-Sep-22 | 28 | 12 | 70 | 36 | -13% |
| 26-Jan-23 | 33 | 83 | 67 | 61 | -7% | 05-Jan-23 | 24 | 81 | 55 | 53 | -11% | 08-Dec-22 | 20 | 91 | 30 | 47 | -13% |

Source: BofA European Equity Quant Strategy. 12m Momentum performance is computed from January 1999 using daily price returns in Euro, assuming daily rebalancing and excluding transaction costs. This performance is backtested (shaded) and does not represent the actual performance of any account or fund. Backtested (shaded) performance depicts the theoretical (not actual) performance of a particular strategy over the time period indicated. No representation is being made that any actual portfolio is likely to have achieved returns similar to those shown herein. The strategy indicated above is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. This strategy was not created to act as a benchmark.

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Definitions

Value: Equal weighted combination of factors - Forecast/Trailing EPS Yield, Dividend Yield, Cash to Price Yield, Book to Price Yield, Price to Sales and Forecast PEG.

Growth: Equal weighted combination of factors - Forecast/Trailing EPS Growth, Forecast EPS Change and Forecast Long Term Growth.

Momentum: Equal weighted combination of factors - 3m EPS Change, EPS Revision Ratio, Sales Revision Ratio, 1m Price Change and 12m Price Change.

Quality: Equal weighted combination of factors - Return on Assets, Return on Capital, Return on Equity, 5yr Return on Equity and Leverage.

Risk: Equal weighted combination of factors - EPS Estimate Dispersion and Beta.

Size: Month end market capitalisation.

Value Factors

Forecast Earnings Yield: I/B/E/S next twelve month EPS divided by month end Price.

Trailing Earnings Yield: Trailing twelve month EPS divided by month end Price.

Dividend Yield: Trailing twelve month Dividend per share divided by month end Price.

Cash to Price: Trailing 12 month cash earnings per share divided by month end price. Cash Earnings are defined as earnings plus depreciation on fixed assets. (i.e. –not free cash flow).

Book to Price: Trailing twelve month Book Value per share divided by month end price.

Price to Sales: Month End Price divided by last reported Sales per share figure.



Forecast PEG: I/B/E/S FY1 P/E divided by I/B/E/S Long Term Growth Estimate.

Other valuations:

Free Cash Flow Yield: Trailing twelve month difference between operating cash flow and capital expenditures net of fixed assets disposals divided by the month end price

EV/EBITDA: Latest reported divided EV (market capitalisation plus total debt minus cash and cash equivalents) divided by the trailing twelve month EBITDA

Growth Factors

Forecast Earnings Growth: (I/B/E/S FY2 Mean EPS Est. less latest reported EPS) divided by the latest reported EPS.

Trailing Earnings Growth: Difference between Trailing Twelve Month EPS and Trailing Twelve Month EPS a year prior divided by absolute value of Trailing Twelve Month EPS a year prior.

Forecast EPS Change: Difference between I/B/E/S Forecast Twelve Month EPS and I/B/E/S Forecast Twelve Month EPS a year prior divided by I/B/E/S Forecast Twelve Month EPS a year prior.

Long Term Mean EPS Growth: I/B/E/S Mean Long Term Growth Estimate (+5years).

Momentum Factors

3 Month Change in Mean EPS: Difference between I/B/E/S FY1 mean EPS and I/B/E/S FY1 mean EPS 3 months prior, divided by absolute value of I/B/E/S FY1 mean EPS 3 months prior.

Earnings Revision Ratio: ((# of FY1 and FY2 upward EPS revisions over last 3 months)-(# of FY1 and FY2 downward EPS revisions over last 3 months))/ # of FY1 and FY2 estimates over last 3 months.

Sales Revision Ratio: ((# of FY1 and FY2 upward Sales revisions over last 3 months)-(# of FY1 and FY2 downward Sales revisions over last 3 months))/ # of FY1 and FY2 estimates over last 3 months.

1m Price Momentum: Latest month-end price / 1-month ago price.

12m Price Momentum: Latest month-end price / 12-months ago price.

Risk Factors

Beta: Calculated using regression analysis on 60 months of price performance versus the benchmark. High beta stocks have a high correlation to the market, whilst low beta stocks have a low correlation to market movements.

EPS Estimate Dispersion: Coefficient of variation of I/B/E/S FY2 EPS estimates. The coefficient of variation is defined as the Standard Deviation of Estimates divided by the absolute value of the Mean Estimate.

Quality Factors

Return on Assets: Annual Earnings divided by Total Assets.

Return on Capital: Annual Earnings divided by Total Capital.

Return on Equity – 1yr: Trailing Twelve Month EPS divided by Trailing Twelve Month Book value per Share.

Return on Equity – 5yrs: Average RoE over the last 5 years.

Leverage: Annual Long Term Debt/(Annual Long Term Debt +Annual Book Value).

Ownership

Top 50 European Fund Managers Weight: Relative weight of the Top 50 European fund managers in the stock vs their European market holdings. 100=neutral, >100 is overweight and <100 is underweight

% Top 50 European Fund Managers Weight: Based on the above we calculate the percentage of fund managers who are underweight.

Dividend Factors

12m Fwd dividend yield: 12m fwd DPS per share estimate from I/B/E/S divided by month end price

5 Year Dividend Growth: CAGR of trailing FY0, FY1 and FY2 and forecast FY1 and FY2 DPS growth.

Dividend Revision Ratio: ((# of FY1 and FY2 upward DPS revisions over last 3 months)-(# of FY1 and FY2 downward DPS revisions over last 3 months))/ # of FY1 and FY2 estimates over last 3 months.

DPS Estimate Dispersion: Coefficient of variation of I/B/E/S FY2 DPS estimates. The coefficient of variation is defined as the Standard Deviation of Estimates divided by the absolute value of the Mean Estimate.

Payout Ratio: prospective FY1 DPS divided by the prospective FY1 EPS.

Disclosures

Important Disclosures

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| Investment rating | Total return expectation (within 12-month period of date of initial rating) | Ratings dispersion guidelines for coverage cluster ^{R1} |
|-------------------|---|--|
| Buy | ≥ 10% | ≤ 70% |
| Neutral | ≥ 0% | ≤ 30% |
| Underperform | N/A | ≥ 20% |

^{R1} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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