

## Consumer &amp; Retail

## Message from Miami

## Industry Overview

## Constructive tone in Miami and buybacks in Tobacco

Last week was very active with corporate access – We attended and/or hosted meetings with issuers including KR, PPC, SJM, TSN, CPB, WMT, BC, HLNLN, TPR, TAP, and AZO along with attending the BofA Consumer & Retail conference. Thematically the tone was a confidence in one's strategy & execution even as the backdrop remains uncertain. We heard about a U.S. market that is still healthy, behavior shifts vs. retrenchment, leaning into innovation, marketing & merchandising to drive volumes, sourcing & supply chain efficiency with internal margin driving initiatives to support earnings. Teams seem encouraged about upside from acquired assets while deleveraging, digital initiatives helping sales & margin, and those not engaged on M&A looking to buybacks & refinancing debt near-term. On the economic front, data was mixed as Feb CPI beat expectations (+3.2% y/y vs. +3.1% consensus) but was goods-related and retail sales missed est. at +0.6% vs +0.8% est. with downward revisions to prior months. The **ICE BofA IG Corp Bond Index** tightened -6bps w/w, returning -0.97%. Cyclical and Non-Cyclical tightened -5bps with weaker returns of -1.11% and -1.02% respectively. New issuance totaled \$37.5bn last week, including Brunswick (\$400mn) in Consumer.

In **Retail (-5bps)**, dollar stores reported mixed 4Q's as comps beat (Dollar Tree banner & Dollar General), margins were noisy, and FY24 guidance was near in-line but 2H-wgt. Dollar Tree 4Q profit was dampened by Family Dollar banner underperformance (SNAP headwinds & weak discretionary demand). They will close 600 stores in 1H24 with additional closures later as part of its portfolio optimization review. Dollar General results were then better than feared with strength from non-consumables and traffic. Management reiterated capital allocation plans including returning to targeted 3x adj leverage. DICK's Sporting Goods 4Q beat consensus on a strong holiday season with higher merchandise margins driving EBITDA upside. FY24 guidance was in-line though capex is expected to step-up on plans for new store growth in "House of Sport" and 50k square foot store concepts. Advance Auto Parts entered into an agreement with activists Third Point and Saddle Point to appoint 3 directors to its board. The new directors have a strong background in the automotive industry and supply chain expertise. In **Food Retail (-5bps)**, the FTC's suit to block the merger of Kroger and Albertsons is headed for trial on Aug 26<sup>th</sup> in Portland and is expected to last a few weeks.

In **Tobacco (-8bps)**, share buybacks were topical as British American Tobacco sold a partial stake in ITC (£1.6bn) to fund buybacks; they also jointly lowered the LT net leverage target from 2-3x to 2.0-2.5x which had been suggested as an option on recent calls. Altria followed suit and sold part of its stake in Anheuser-Busch InBev to fund a \$2.4bn accelerated share repurchase program. Altria's stake in ABIBB will fall to ~8% and it is expected to lose 1 board seat. FY24 EPS guidance was raised from \$5.00-\$5.15 to \$5.05-\$5.17. In **Beverages (-5bps)**, following recent strategic updates at conferences we refresh our valuation thoughts on Coca-Cola and PepsiCo and initiate coverage on Molson Coors Beverage Co at Marketweight. See: [link to the report here](#).

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Refer to important disclosures on page 16 to 19. Analyst Certification on page 16.

Valuation & Risk on page 16.

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Retailing & Consumer

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## Exhibit 1: Market week ended 3/11/24

Last week's market performance

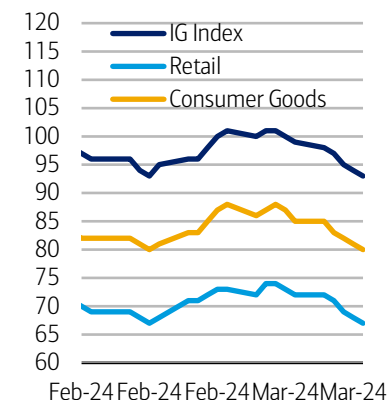
Market	Value	WoW
IG ICE BofA Index	93	(6)
IG ICE BofA Index (yld)	5.46	+17
HY ICE BofA Index	463	(10)
HY ICE BofA Index (yld)	7.82	+11
CDX IG 5yr	50	+0
CDX HY 5yr	333	+4
Consumer Cyclical	67	(5)
Consumer Non-Cyclical	80	(5)
5yr Treasury (yld)	4.33	+28
10yr Treasury (yld)	4.31	+23
30yr Treasury (yld)	4.43	+18
S&P 500 (index)	5,117	-0.1%

Source: ICE Data Indices, LLC, Bloomberg

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## Exhibit 2: Consumer/Retail Spreads

1mo spread performance



Source: ICE Data Indices, LLC, Bloomberg

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**Exhibit 3: Upcoming Consumer/Retail Events Calendar**

2-week calendar of events, subject to change

March 2024				
Mon, Mar-18	Tue, Mar-19	Wed, Mar-20	Thu, Mar-21	Fri, Mar-22
		GIS 3Q24 earnings BFB Investor day ATDBCN 3Q24 earnings	DRI 3Q24 earnings NKE 3Q24 earnings	
Mon, Mar-25	Tue, Mar-26	Wed, Mar-27	Thu, Mar-28	Fri, Mar-29
	MKC 1Q24 earnings BSSBZ FY23 results	PVH 4Q23 earnings KMB Investor day		

Source: Company filings, Bloomberg

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**Exhibit 4: Spread week over week changes**

RKTLN and PVH widened the most last week

Active Cash Trading				Active CDS		
Issuer	Chg (G-spread)	Issuer	Chg (G-spread)	Entity	5y	Chg
RKTLN 3.000% 6/26/2027	+4	BATSLN 2.726% 3/25/2031	-19	AutoZone	27	-1
PVH 4.625% 7/10/2025	+3	BATSLN 3.984% 9/25/2050	-18	Best Buy	57	-1
K 4.500% 4/1/2046	+3	BATSLN 5.282% 4/2/2050	-17	Tyson Foods	57	-1
NKE 2.850% 3/27/2030	+2	IMBLN 3.875% 7/26/2029	-15	Kroger	41	0
DLTR 4.200% 5/15/2028	+1	DKS 3.150% 1/15/2032	-14	Campbell Soup	41	1

Source: Bloomberg

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**Notable Consumer & Retail credit news****Retail**

**Advance Auto Parts (AAP, Baa3/BB+/-)** announced that it has entered into an agreement with activists Third Point and Saddle Point to appoint three directors to its board effective immediately: A. Brent Windom, Gregory L. Smith, and Thomas W. Seboldt. Activism involvement has long been anticipated in AAP. The new directors have an extensive background in the automotive industry and supply chain expertise. When new CEO O'Kelly was hired, there was some disappointment that he didn't have auto parts experience (which has been a thorn in AAP's side historically) so the board appointment aligns him with industry experience & relationships. Legion Partners Holdings and affiliates have expressed their support for the new board members. The board size has temporarily been increased to 12 directors.

- In Consumer & Retail, Third Point has focused on board representation & execution, management turnover, governance, shareholder return acceleration, and asset sales or a full company sale (but less success there & AAP has been shopped before)

**Dollar Tree (DLTR, Baa2/BBB/-)** 4Q enterprise-wide comps slightly beat estimates driven by traffic and strength at the Dollar Tree banner offsetting weakness at Family Dollar from discretionary mix and SNAP benefit headwinds. EBITDA missed consensus on SG&A higher than estimates and weighed on margins but gross margin expansion beat led by lower freight costs. FY24 guidance was introduced in-line with estimates but 1H and 1Q are expected to face pressure on continued headwinds. DLTR also announced the decision to close certain Family Dollar stores in '24 and beyond as part of its portfolio optimization review.

**Exhibit 5: Dollar Tree 4Q23**

DLTR financial summary

4Q23

Consensus

**Exhibit 5: Dollar Tree 4Q23**

DLTR financial summary

Revenue	+11.8%	+12.1%
Comps	+3.0%	+2.8%
EBITDA	+19.7%	+24.6%
EBITDA margin	11.3%	11.7%
EPS	\$2.55	\$2.64

	4Q23	Q/Q
Adj. Debt	\$3,426	(\$228)
Gross leverage	2.6x	-0.2x
Net leverage	2.4x	-0.2x

Source: Company filings, Visible Alpha

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**Revenue-related commentary**

- Comps +3.0% slightly beat +2.8% est. driven by traffic growth +4.6% and partially offset by avg ticket declining -1.5%; Dollar Tree (DT) banner +6.3% (beat) on traffic +7.1% vs. ticket -0.7%. Consumables rose +10.8% while discretionary increased +3.1%. Family Dollar (FDO) banner comps declined -1.2% (miss) composed of traffic +0.7% and ticket -2.0%. Consumables +2.2% while discretionary declined -12%
- Believe January weather negatively impacted comp at DT by -70bps; DT continues to gain share especially with higher-income customers (> \$125k)
- FD comp had -5% impact from SNAP headwinds and an additional -2% impact from weak discretionary demand
- Apparel, home décor, electronics, general merchandise remain weak as lower-income customers are more selective with spend
- Average ticket down but seeing higher frequency of trips
- Basket of customer that shops multi-price is as much as 2x avg basket
- Private label: introduced 250 new SKUs, penetration reached 15% and ahead of track to reach 20% by '26
- Seeing shrink continue to accelerate and impact mix

**Profit & margin-related commentary**

- EBITDA margins expanded +75bps (miss). Gross margins +215bps ahead of +121bps est. driven primarily by lower freight costs. SG&A deleverage (+156bps, missed) on ongoing labor investments and higher incentive compensation.
- By segment: DT gross margins expanded +230bps primarily on lower domestic and import freight cost. FDO gross margins expanded +160bps on lower freight.
- Portfolio review: Plan to close 600 FD stores in 1H24 with an additional 370 FD and 30 DT stores to close over the next several years (could see +\$0.30 annual run-rate EPS given historical underperformance)
- Inventory decreased -6.2% y/y, strong sell-through of seasonal merchandise

**FY24 Guidance**

- FY24: a) Net sales \$31-32bn vs \$31.7bn est., b) +LSD-MSD% comps vs +2.9% est. (DLTR +MSD%, Family Dollar +LSD%), c) SG&A ~25%, d) EPS \$6.70-\$7.30 vs \$7.05 est., and e) capex \$2.1-2.3bn
- FY24 gross margin: DT 36-36.5%, FD 24.5-25%



- 1Q24: a) net sales \$7.6-7.9bn vs \$7.7bn est., b) comps +LSD-MSD% vs 2.5% est., c) EPS \$1.33-1.48 vs \$1.70 est.
- EPS cadence: 38% in 1H vs 62% in 2H
- Reduced SNAP benefit and unfavorable mix will be a headwind through at least 1H24
- Expect benefit from lower freight costs, 60% savings in 1H with 1Q to have greatest benefit

**DICK's Sporting Goods (DKS, Baa3/BBB/--)** 4Q results beat estimates across the board on a strong holiday season with comps +2.8% driven by ticket growth. EBITDA and margins beat estimates on strong gross margin expansion led by merchandise mix benefit, pricing management, and lower supply chain costs. FY24 guidance was introduced in-line with estimates with EPS above. Capex is expected to step up to ~\$900mn gross on investment in new store growth—particularly in new “House of Sport” and 50k square footage stores which are seeing strong growth opportunities.

#### Exhibit 6: DICK's Sporting Goods 4Q23

DKS financial summary

	4Q23	Consensus
Revenue	+7.8%	+5.5%
Comp store sales	+2.8%	+0.5%
EBITDA	+21.0%	+8.4%
EBITDA margin	14.3%	12.8%
Adj. EPS	\$3.85	\$3.34

	4Q23	Q/Q
Debt	\$4,264	\$31
Gross leverage	1.7x	-0.1x
Net leverage	1.0x	-0.2x

Source: Company filings, Visible Alpha

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#### Revenue-related commentary

- Comps +2.8% were well ahead of +0.5% consensus driven fully by avg. ticket with transactions flat
- DKS market share ~8.5% as of 2023 (+50bps y/y)
- 13% of sales in '23 were vertical brand (private label)
- Holiday categories performed well, modestly offset by outerwear performance (warm weather)
- Continue to see consumer holding up very well, not seeing trade down and experiencing growth across all income demographics
- Expect to increase square footage by ~2% in '24 on investments in new store formats
- Seeing strong results from “House of Sport” and 50K sq feet stores, targeting EBITDA margin ~20% in these stores
- Evaluating potential sale-leaseback opportunities for “House of Sport” locations

#### Profit & margin-related commentary

- EBITDA margins expanded +156bps ahead of +3bps est.; gross margins +213bps beat +153bps est. on higher merchandise margin (+124bps), lower supply chain

costs and leverage on occupancy costs. SG&A (including pre-opening expense) deleveraged +76bps, slightly favorable vs expectations and driven by investments in hourly wage rate, technology, and marketing.

- Inventory +1% y/y, clean & well positioned with clearance penetration lowest of all time
- Environment was pretty promotional in 4Q but DKS was able to navigate without extreme promotions
- Announced 10% increase in quarterly dividend

#### FY24 Guidance

- FY24: (a) SSS +1-2% vs. +1.75% est.; (b) gross margin ~35%; (c) EBT margins ~10.9%; (d) tax rate ~24%; (e) adj EPS \$12.85-13.25 vs. \$12.77 est.; and (f) Net capex \$800mn
- Comps stronger in 1H vs 2H on lapping comparisons
- Expect modest SG&A leverage
- Planning for \$300mn in share repurchases, will opportunistically look at additional repurchases throughout the year

**Dollar General (DG, Baa2/BBB/--)** 4Q results beat our estimates driven by traffic, market share gains, and strength from non-consumables. EBITDA and margins were better than feared but declined on continued shrink and mix pressures. Management reiterated capital allocation priorities including getting back to targeted 3x adj leverage; share repurchases remain paused for this year but remain an option for future years. FY24 guidance was introduced with top-line above our estimates and EPS below but likely in-line with a cautious set-up. Profitability is expected to improve over the year as shrink and SG&A deleverage headwinds ease; 1Q EPS guide light of estimates.

#### Exhibit 7: DICK'S Sporting Goods 4Q23

DKS financial summary

	4Q23	BofA Est.	Consensus
Revenue	-3.4%	-2.6%	-4.3%
Comp sales	+0.7%	-1.0%	-1.1%
EBITDA	-28.7%	-30.2%	-30.2%
EBITDA margin	8.1%	7.9%	8.0%
EPS	\$1.83	\$1.75	\$1.71

	4Q23	BofA Est.	Q/Q
Adj. Debt	\$7,000	\$7,171	(\$191)
Gross leverage	3.5x	3.6x	+0.2x
Net leverage	3.4x	3.5x	+0.1x

Source: BofA Global Research, Company filings, Visible Alpha

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#### Tobacco

**British American Tobacco (BATSLN, Baa2/BBB+/BBB)** announced that it will sell 436.9mn shares in ITC via a block trade (£1.6bn in proceeds). The company intends to use proceeds from the sale to repurchase shares from now until the end of '25 with £700mn planned in 2024. The company also jointly lowered its LT net leverage target from 2-3x to 2-2.5x (MT target had been 2.5x, net leverage 2.6x as of FY23 end).

Following the block trade BATSLN retains a 25.5% stake in ITC. CEO Tadeau Marroco commented that "with the transaction BAT can accelerate the start of a sustainable buyback." BATSLN will continue to use operating cashflow for investments in the business and deleveraging.



**Altria (MO, A3/BBB/BBB)** announced that it will sell 35mn of shares in its investment in **Anheuser-Busch InBev (ABIBB, A3/A/--)**. MO is offering 35mn of ABIBB's ADR's (BUD) with the option to sell an additional 5.25mn shares (~\$2.4bn in proceeds based on \$61.50 offer price). It plans to use proceeds from the share sale for additional share repurchases. Concurrently, ABIBB has agreed to repurchase \$200mn of the shares from MO; the company already completed its \$1bn share buyback program announced in October 2023.

- With the transaction, MO's stake in ABI will fall to 8.1% and the company is expected to lose one board seat. There will be a 180-day lockup for remaining ABI shares.
- ABI also released a shelf registration which is a standard 3Y renewal & tied to with a sizeable shareholder selling ADR securities
- MO raised its FY24 guidance from \$5.00-\$5.15 to \$5.05-\$5.17

## Recent New Issuance

Brunswick Corp (Baa2/BBB-) issued \$400mn across 5yr Notes. The use of proceeds is to refinance the 0.850% notes due August '24.

## BofA Current Recommendations

### Exhibit 8: Cash & CDS ratings

BofA cash &amp; CDS ratings

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

Source: BofA Global Research;

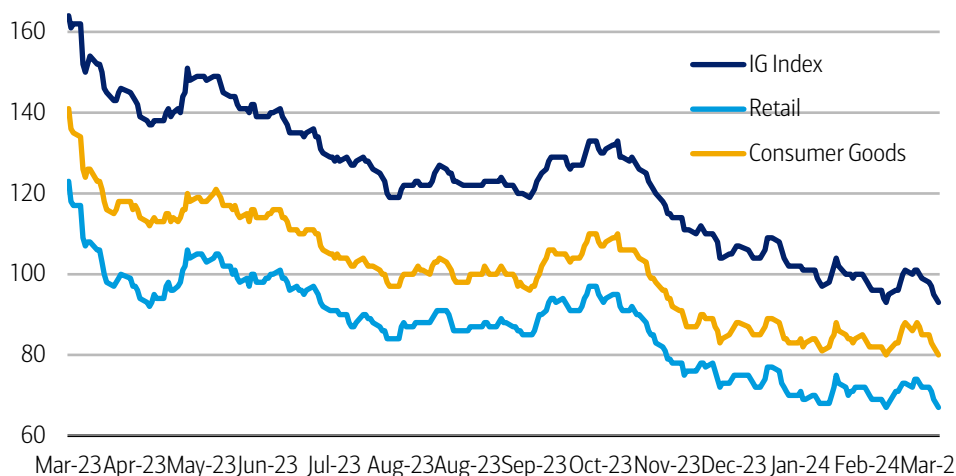
Notes (\*): Underweight K long-end, Overweight ABIBB long-end (\$)

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## Market Snapshot

### Exhibit 9: BofA HG Index vs. Consumer/Retail Sectors

Consumer/Retail 1-year spread performance sits back near the tights



Source: ICE Data indices, LLC

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**Exhibit 10: ICE Data Indices Investment Grade Index**

Benchmark spread and credit metrics by issuer

	Num of Issues	% of Index	Spreads (OAS)					Price	YTW	Modified Average		Total Returns					Excess Returns				
			OAS	1 week	MTD	QTD	YTD			Duration	Rating	1 week	MTD	QTD	YTD	12 month	1 week	MTD	QTD	YTD	12 month
<b>US Corporate Index</b>	10,309	100.0%	93 bps	-6 bps	-7 bps	-11 bps	-11 bps	\$91.8	5.46%	6.7	A3	-0.97%	0.22%	-1.04%	-1.04%	5.18%	41 bps	51 bps	98 bps	98 bps	658 bps
<b>Rating Categories</b>																					
AAA US Corporate Index	117	1.1%	35 bps	-5 bps	-7 bps	-5 bps	-5 bps	\$85.3	4.89%	9.3	AAA	-1.29%	0.22%	-2.10%	-2.10%	1.32%	50 bps	70 bps	89 bps	89 bps	498 bps
AA US Corporate Index	795	8.2%	50 bps	-4 bps	-5 bps	-6 bps	-6 bps	\$89.5	5.06%	7.1	AA3	-1.05%	0.11%	-1.54%	-1.54%	2.56%	37 bps	43 bps	65 bps	65 bps	456 bps
Single-A US Corporate Index	4,226	43.9%	78 bps	-5 bps	-6 bps	-10 bps	-10 bps	\$92.1	5.31%	6.6	A2	-1.01%	0.18%	-1.16%	-1.16%	4.31%	36 bps	47 bps	86 bps	86 bps	566 bps
BBB US Corporate Index	5,171	46.8%	117 bps	-6 bps	-7 bps	-12 bps	-12 bps	\$92.1	5.68%	6.5	BBB2	-0.90%	0.27%	-0.81%	-0.81%	6.50%	46 bps	55 bps	115 bps	115 bps	779 bps
<b>Maturity</b>																					
1-3 Year US Corporate Index	2,136	22.9%	63 bps	-2 bps	-5 bps	-13 bps	-13 bps	\$96.5	5.45%	1.8	A3	-0.26%	0.15%	0.47%	0.47%	5.12%	4 bps	11 bps	42 bps	42 bps	234 bps
3-5 Year US Corporate Index	1,796	18.5%	81 bps	-5 bps	-7 bps	-12 bps	-12 bps	\$96.5	5.29%	3.5	A3	-0.67%	0.14%	-0.19%	-0.19%	5.85%	17 bps	28 bps	74 bps	74 bps	482 bps
5-7 Year US Corporate Index	1,264	12.4%	98 bps	-5 bps	-7 bps	-10 bps	-10 bps	\$91.0	5.33%	5.2	BBB1	-0.99%	0.21%	-0.73%	-0.73%	5.24%	31 bps	45 bps	91 bps	91 bps	550 bps
7-10 Year US Corporate Index	1,460	15.1%	117 bps	-7 bps	-8 bps	-9 bps	-9 bps	\$93.3	5.48%	6.8	A3	-1.04%	0.31%	-1.11%	-1.11%	5.74%	52 bps	58 bps	105 bps	105 bps	747 bps
10-15 Year US Corporate Index	573	5.2%	118 bps	-7 bps	-7 bps	-12 bps	-12 bps	\$100.0	5.55%	8.7	A3	-1.29%	0.34%	-1.60%	-1.60%	4.91%	56 bps	65 bps	111 bps	111 bps	805 bps
15+ Year US Corporate Index	3,080	25.9%	109 bps	-6 bps	-6 bps	-8 bps	-8 bps	\$83.4	5.61%	13.4	A3	-1.67%	0.24%	-2.94%	-2.94%	4.23%	85 bps	95 bps	154 bps	154 bps	1068 bps
<b>Industry</b>																					
<b>US Corporate Index</b>																					
<b>Industrials</b>	6,145	58.9%	89 bps	-6 bps	-7 bps	-8 bps	-8 bps	\$90.9	5.40%	7.3	A3	-1.04%	0.22%	-1.45%	-1.45%	4.70%	46 bps	56 bps	83 bps	83 bps	667 bps
<b>Consumer Cyclical</b>	347	3.5%	67 bps	-5 bps	-6 bps	-5 bps	-5 bps	\$89.6	5.18%	7.6	A2	-1.11%	0.13%	-1.88%	-1.88%	3.76%	43 bps	48 bps	53 bps	53 bps	598 bps
US Corp Retail	258	2.8%	64 bps	-5 bps	-6 bps	-5 bps	-5 bps	\$89.4	5.15%	7.5	A2	-1.09%	0.15%	-1.88%	-1.88%	3.66%	44 bps	51 bps	53 bps	53 bps	588 bps
US Corp Food & Drug Retail	38	0.3%	100 bps	-5 bps	-4 bps	-14 bps	-14 bps	\$88.9	5.50%	7.9	BBB2	-1.18%	0.03%	-0.82%	-0.82%	5.19%	44 bps	40 bps	155 bps	155 bps	724 bps
US Corp Restaurants	51	0.5%	69 bps	-3 bps	-4 bps	2 bps	2 bps	\$91.7	5.22%	7.6	BBB1	-1.17%	0.04%	-2.50%	-2.50%	3.54%	37 bps	38 bps	-8 bps	-8 bps	594 bps
<b>Consumer Non-Cyclical</b>	620	5.7%	80 bps	-5 bps	-7 bps	-5 bps	-5 bps	\$91.9	5.31%	7.2	A3	-1.02%	0.24%	-1.60%	-1.60%	4.53%	46 bps	55 bps	65 bps	65 bps	638 bps
US Corp Beverage	168	1.7%	64 bps	-5 bps	-6 bps	-2 bps	-2 bps	\$91.2	5.15%	8.2	A3	-1.19%	0.28%	-2.25%	-2.25%	3.59%	48 bps	66 bps	39 bps	39 bps	643 bps
US Corp Food Wholesale	236	1.9%	86 bps	-4 bps	-5 bps	-4 bps	-4 bps	\$91.5	5.36%	6.8	BBB1	-1.05%	0.12%	-1.57%	-1.57%	4.12%	37 bps	42 bps	55 bps	55 bps	565 bps
US Corp Tobacco	86	1.1%	113 bps	-8 bps	-10 bps	-16 bps	-16 bps	\$93.2	5.63%	6.8	BBB1	-0.67%	0.50%	-0.45%	-0.45%	7.85%	75 bps	77 bps	159 bps	159 bps	906 bps
US Corp Consumer Products	130	0.9%	62 bps	-5 bps	-5 bps	-3 bps	-3 bps	\$92.6	5.12%	6.4	A2	-1.07%	0.11%	-1.69%	-1.69%	3.48%	28 bps	38 bps	28 bps	28 bps	456 bps

Source: BofA Global Research, Bloomberg

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**Exhibit 11: Recent Sector New Issuance**

Consumer/Retail new issuance tracker in reverse chronological order

Issue Date	Ticker	Issuer	Rating (Moody's/S&P)	Size	Coupon	Maturity	New Issue Spread
03/14/2024	BC	BRUNSWICK CORP	Baa2/BBB-	\$400	5.850%	03/18/2029	160
03/05/2025	NESNVX	NESTLE CAPITAL CORP	Aa3/AA-	\$600	4.650%	03/12/2029	55
03/05/2025	NESNVX	NESTLE CAPITAL CORP	Aa3/AA-	\$450	4.750%	03/12/2031	65
03/05/2025	NESNVX	NESTLE CAPITAL CORP	Aa3/AA-	\$800	4.875%	03/12/2034	75
03/05/2025	NESNVX	NESTLE CAPITAL CORP	Aa3/AA-	\$650	5.100%	03/12/2054	85
03/05/2024	HRL	HORMEL FOODS	A1/A-	\$500	4.800%	03/30/2027	50
03/04/2024	KDP	KEURIG DR PEPPER	Baa1/BBB	\$750	5.100%	03/15/2027	75
03/04/2024	KDP	KEURIG DR PEPPER	Baa1/BBB	\$750	5.050%	03/15/2029	90
03/04/2024	KDP	KEURIG DR PEPPER	Baa1/BBB	\$500	5.200%	03/15/2031	100
03/04/2024	KDP	KEURIG DR PEPPER	Baa1/BBB	\$650	5.300%	03/15/2034	110
02/28/2024	TSN	TYSON FOODS	Baa2/BBB	\$600	5.400%	03/15/2029	115
02/28/2024	TSN	TYSON FOODS	Baa2/BBB	\$900	5.700%	03/15/2034	145
02/22/2024	WHR	WHIRLPOOL CORP	Baa2/BBB	\$300	5.750%	03/01/2034	145
02/15/2024	BATSLN	BAT CAPITAL CORP	Baa2/BBB+	\$850	5.834%	02/20/2031	158
02/15/2024	BATSLN	BAT CAPITAL CORP	Baa2/BBB+	\$850	6.000%	02/20/2034	183
02/15/2024	MDLZ	MONDELEZ INTERNATIONAL	Baa1/BBB	\$550	4.750%	02/20/2029	65
02/12/2024	EL	ESTEE LAUDER	A1/A	\$650	5.000%	02/14/2034	87
02/12/2024	PEP	PEPSICO SINGAPORE FINANCING	A1/A+	\$550	4.650%	02/16/2027	40
02/12/2024	PEP	PEPSICO SINGAPORE FINANCING	A1/A+	\$450	4.550%	02/16/2029	45
02/12/2024	PEP	PEPSICO SINGAPORE FINANCING	A1/A+	\$450	4.700%	02/16/2034	55
02/09/2024	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$750	4.750%	02/12/2027	70
02/09/2024	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$1,000	4.875%	02/13/2029	95
02/09/2024	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$1,250	5.125%	02/13/2031	120
02/09/2024	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$1,750	5.250%	02/13/2034	135
02/06/2024	ATDBCN	ALIMENTATION COUCHE-TARD	Baa1/BBB+	\$900	5.267%	02/12/2034	118
02/06/2024	ATDBCN	ALIMENTATION COUCHE-TARD	Baa1/BBB+	\$600	5.617%	02/12/2054	130
02/05/2024	SBUX	STARBUCKS	Baa1/BBB+	\$1,000	4.850%	02/08/2027	60
02/05/2024	SBUX	STARBUCKS	Baa1/BBB+	\$500	4.900%	02/15/2031	80
02/05/2024	SBUX	STARBUCKS	Baa1/BBB+	\$500	5.000%	02/15/2034	90
01/24/2024	PG	PROCTER & GAMBLE	Aa3/AA-	\$600	4.350%	01/29/2029	27
01/24/2024	PG	PROCTER & GAMBLE	Aa3/AA-	\$750	4.550%	01/29/2034	37
01/16/2024	GIS	GENERAL MILLS	Baa2/BBB	\$500	4.700%	01/30/2027	70
01/09/2024	STZ	CONSTELLATION BRANDS	Baa3/BBB	\$400	4.800%	01/15/2029	85
01/04/2024	BIMBOA	BIMBO BAKERIES USA	Baa1/BBB+	\$450	6.050%	01/15/2029	115
01/04/2024	BIMBOA	BIMBO BAKERIES USA	Baa1/BBB+	\$800	5.375%	01/09/2036	150
11/27/2023	HD	HOME DEPOT	A2/A	\$500	5.125%	04/30/2025	28
11/27/2023	HD	HOME DEPOT	A2/A	\$750	4.950%	09/30/2026	43
11/27/2023	HD	HOME DEPOT	A2/A	\$750	4.900%	04/15/2029	58
11/15/2023	TPR	TAPESTRY INC	Baa2/BBB	\$500	7.050%	11/27/2025	220
11/15/2023	TPR	TAPESTRY INC	Baa2/BBB	\$750	7.000%	11/27/2026	240
11/15/2023	TPR	TAPESTRY INC	Baa2/BBB	\$1,000	7.350%	11/27/2028	290
11/15/2023	TPR	TAPESTRY INC	Baa2/BBB	\$1,000	7.700%	11/27/2030	320
11/15/2023	TPR	TAPESTRY INC	Baa2/BBB	\$1,250	7.850%	11/27/2033	340
11/13/2023	ORLY	O'REILLY AUTOMOTIVE	Baa1/BBB	\$750	5.750%	11/20/2026	95
11/08/2023	PEP	PEPSICO	A1/A+	\$800	5.250%	11/10/2025	35
11/08/2023	PEP	PEPSICO	A1/A+	\$700	5.125%	11/10/2026	43
11/06/2023	SYN	SYSCO CORP	Baa1/BBB	\$500	5.750%	01/17/2029	120
11/06/2023	SYN	SYSCO CORP	Baa1/BBB	\$500	6.000%	01/17/2034	147
10/30/2023	BIMBOA	BIMBO BAKERIES USA	Baa1/BBB+	\$450	6.050%	01/15/2029	125
10/30/2023	BIMBOA	BIMBO BAKERIES USA	Baa1/BBB+	\$550	6.400%	01/15/2034	155
10/30/2023	MO	ALTRIA	A3/BBB	\$500	6.200%	11/01/2028	145
10/30/2023	MO	ALTRIA	A3/BBB	\$500	6.875%	11/01/2033	205
10/23/2023	GPC	GENUINE PARTS CO	Baa1/BBB	\$425	6.500%	11/01/2028	180
10/23/2023	GPC	GENUINE PARTS CO	Baa1/BBB	\$375	6.875%	11/01/2033	210
10/19/2023	AZO	AUTOZONE	Baa1/BBB	\$500	6.250%	11/01/2028	132
10/19/2023	AZO	AUTOZONE	Baa1/BBB	\$500	6.550%	11/01/2033	162
10/11/2023	SJM	JM SMUCKER	Baa2/BBB	\$750	5.900%	11/15/2028	130
10/11/2023	SJM	JM SMUCKER	Baa2/BBB	\$1,000	6.200%	11/15/2033	160
10/11/2023	SJM	JM SMUCKER	Baa2/BBB	\$750	6.500%	11/15/2043	163
10/11/2023	SJM	JM SMUCKER	Baa2/BBB	\$1,000	6.500%	11/15/2053	180
10/10/2023	GIS	GENERAL MILLS	Baa2/BBB	\$500	5.500%	10/17/2028	103
10/04/2023	DRI	DARDEN RESTAURANTS	Baa2/BBB	\$500	6.300%	10/10/2033	165
10/02/2023	DGELN	DIAGEO CAPITAL	A3/A-	\$800	5.375%	10/05/2026	60
10/02/2023	DGELN	DIAGEO CAPITAL	A3/A-	\$900	5.625%	10/05/2034	100
09/27/2023	PPC	PILGRIM'S PRIDE CORP	Ba2/BBB-	\$500	6.875%	05/15/2034	250
09/06/2023	NESNVX	NESTLE HOLDINGS	A3/AA-	\$500	5.000%	09/12/2028	57

Source: BofA Global Research, Bloomberg Data excludes FRN

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**Exhibit 12: Retail Historical Spread & Return Monitor**

Benchmark spreads and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing				5-yr CDS	Revenue	LTM				Net FCF	Credit Metrics		
						Bid	YTW	G-sp	T-sp			EBITDAR	Debt	Cash	Total Debt/		Net Debt/	EV /	
Walmart Inc (WMT)	4.100%	4/15/2033	\$1,500	Aa2 / AA / AA	S / S / S	\$96.5	4.57%	46	48	28	\$638,785	\$40,114	\$69,739	\$12,154	\$4,333	1.7x	1.4x	\$542,459	12.9x
Walmart Inc (WMT)	4.500%	4/15/2053	\$1,500	Aa2 / AA / AA	S / S / S	\$92.7	4.97%	68	72										
Costco Wholesale Corp (COST)	1.600%	4/20/2030	\$1,750	Aa3 / A+ / --	S / S / --	\$84.3	4.58%	45	50	33	\$238,710	\$10,798	\$8,884	\$13,700	\$4,818	0.8x	-0.5x	\$322,288	21.6x
Costco Wholesale Corp (COST)	1.750%	4/20/2032	\$1,000	Aa3 / A+ / --	S / S / --	\$81.3	4.53%	42	45										
Nike Inc (NKE)	2.850%	3/27/2030	\$1,500	A1 / AA- / --	S / S / --	\$90.7	4.63%	51	55	70	\$51,469	\$7,294	\$12,177	\$6,178	(\$2,558)	2.1x	1.3x	\$151,899	22.6x
Nike Inc (NKE)	3.375%	3/27/2050	\$1,500	A1 / AA- / --	S / S / --	\$77.0	4.96%	63	68										
Target Corp (TGT)	4.400%	1/15/2033	\$500	A2 / A / A	S / S / S	\$98.1	4.66%	54	57	41	\$106,518	\$7,783	\$18,442	\$1,910	\$1,518	2.4x	2.1x	\$93,904	9.7x
Target Corp (TGT)	4.800%	1/15/2053	\$1,150	A2 / A / A	S / S / S	\$94.3	5.18%	88	93										
TJX Companies Inc (TJX)	1.600%	5/15/2031	\$500	A2 / A / --	S / S / --	\$81.5	4.65%	52	57	174	\$52,326	\$8,340	\$2,861	\$4,290	\$1,465	1.5x	1.0x	\$116,932	17.5x
TJX Companies Inc (TJX)	4.500%	4/15/2050	\$385	A2 / A / --	S / S / --	\$92.4	5.02%	67	74										
Ralph Lauren Corp (RL)	2.950%	6/15/2030	\$750	A3 / A- / --	S / S / --	\$90.0	4.82%	72	74	--	\$6,604	\$919	\$2,882	\$1,804	(\$493)	3.1x	1.2x	\$12,096	7.0x
Amazon.com Inc (AMZN)	3.600%	4/13/2032	\$2,500	A1 / AA / AA-	S / S / S	\$93.2	4.61%	50	53										
Amazon.com Inc (AMZN)	3.950%	4/13/2052	\$2,500	A1 / AA / AA-	S / S / S	\$84.2	5.01%	69	74										
Ross Stores Inc (ROST)	1.875%	4/15/2031	\$500	A2 / BBB+ / --	S / S / --	\$81.8	4.94%	81	86	--	\$19,569	\$3,436	\$5,780	\$4,499	\$595	1.7x	0.4x	\$49,887	18.1x
Best Buy Co Inc (BBY)	1.950%	10/1/2030	\$650	A3 / BBB+ / --	S / S / --	\$83.2	4.98%	87	89	59	\$43,541	\$3,478	\$4,029	\$636	(\$239)	1.2x	1.0x	\$19,508	7.1x
Home Depot Inc (HD)	4.500%	9/15/2032	\$1,250	A2 / A / A	S / S / S	\$98.9	4.66%	55	58	27	\$153,714	\$26,741	\$49,255	\$2,058	\$1,810	2.0x	1.9x	\$421,338	16.1x
Home Depot Inc (HD)	4.950%	9/15/2052	\$1,000	A2 / A / A	S / S / S	\$95.9	5.23%	92	97										
Lowe's Companies Inc (LOW)	5.000%	4/15/2033	\$1,250	Baa1 / BBB+ / --	S / S / --	\$99.9	5.01%	90	92	33	\$90,219	\$14,739	\$40,053	\$1,531	(\$4,932)	2.7x	2.6x	\$178,256	12.2x
Lowe's Companies Inc (LOW)	5.625%	4/15/2053	\$1,500	Baa1 / BBB+ / --	S / S / --	\$100.8	5.56%	126	131										
VF Corp (VFC)	2.950%	4/23/2030	\$750	Baa3 / BBB- / --	N / N / --	\$83.2	6.29%	220	221	152	\$10,820	\$1,008	\$8,151	\$988	(\$1,527)	8.1x	7.1x	\$12,609	9.0x
Tractor Supply (TSCO)	1.750%	11/1/2030	\$650	Baa1 / BBB+ / --	S / S / --	\$81.2	5.13%	105	104	--	\$14,902	\$2,323	\$4,977	\$422	(\$207)	2.1x	2.0x	\$31,698	12.2x
AutoZone Inc (AZO)	4.750%	8/1/2032	\$750	Baa1 / BBB / BBB	S / S / S	\$97.2	5.16%	105	108	34	\$17,457	\$4,471	\$7,669	\$277	(\$1,373)	2.3x	2.3x	\$61,594	12.4x
AutoZone Inc (AZO)	6.550%	11/1/2033	\$500	Baa1 / BBB / BBB	S / S / S	\$109.4	5.26%	115	118										
O' Reilly Automotive (ORLY)	1.750%	3/15/2031	\$500	Baa1 / BBB / --	S / S / --	\$81.0	4.99%	86	90	--	\$15,625	\$4,011	\$7,384	\$83	(\$533)	1.9x	1.9x	\$71,538	16.0x
O' Reilly Automotive (ORLY)	4.700%	6/15/2032	\$850	Baa1 / BBB / --	S / S / --	\$97.8	5.03%	92	94										
Genuine Parts Co. (GPC)	2.750%	2/1/2032	\$500	Baa1 / BBB / --	S / S / --	\$83.4	5.36%	125	128	--	\$23,028	\$2,387	\$4,237	\$655	(\$82)	2.3x	2.1x	\$25,192	9.5x
Genuine Parts Co. (GPC)	6.875%	11/1/2033	\$375	Baa1 / BBB / --	S / S / --	\$110.7	5.41%	130	132										
Advance Auto Parts (AAP)	3.900%	4/15/2030	\$500	Baa3 / BB+ / --	N / S / --	\$90.1	5.85%	176	177	--	\$11,296	\$1,350	\$4,462	\$318	(\$293)	3.3x	2.9x	\$7,854	15.4x
Advance Auto Parts (AAP)	3.500%	3/15/2032	\$501	Baa3 / BB+ / --	N / S / --	\$84.3	6.01%	192	192										
Dollar General Corp (DG)	5.450%	7/5/2033	\$1,000	Baa2 / BBB / --	S / S / --	\$100.7	5.35%	124	126	--	\$39,036	\$5,400	\$18,087	\$365	(\$1,160)	3.3x	3.3x	\$52,257	11.9x
Dollar General Corp (DG)	5.500%	11/1/2052	\$300	Baa2 / BBB / --	S / S / --	\$94.7	5.88%	156	163										
Dollar Tree Inc (DLTR)	2.650%	12/1/2031	\$800	Baa2 / BBB / --	S / S / --	\$84.4	5.13%	101	104	--	\$29,685	\$3,875	\$10,688	\$445	\$175	2.8x	2.6x	\$42,257	9.2x
Dollar Tree Inc (DLTR)	3.375%	12/1/2051	\$400	Baa2 / BBB / --	S / S / --	\$67.3	5.74%	141	148										
Tapestry Inc (TPR)	3.050%	3/15/2032	\$500	Baa2 *- / BBB / --	UR / N / --	\$81.4	6.00%	188	192	--	\$6,668	\$1,699	\$3,247	\$622	\$144	1.9x	1.5x	\$12,679	7.4x
Tapestry Inc (TPR)	7.850%	11/27/2033	\$1,250	Baa2 *- / BBB / --	UR / N / --	\$109.2	6.53%	242	245										
PVH Corp. (PVH)	4.625%	7/10/2025	\$499	Baa3 / BBB- / --	P / P / --	\$98.7	5.67%	80	89	--	\$9,217	\$1,463	\$3,660	\$358	(\$4)	2.5x	2.3x	\$11,296	5.7x
Dick's Sporting Goods (DKS)	3.150%	1/15/2032	\$750	Baa3 / BBB / --	S / S / --	\$84.8	5.56%	145	148	--	\$12,705	\$1,608	\$4,205	\$1,406	(\$64)	2.6x	1.7x	\$17,645	5.2x
Dick's Sporting Goods (DKS)	4.100%	1/15/2052	\$750	Baa3 / BBB / --	S / S / --	\$71.4	6.28%	197	202										
Nordstrom Inc (JWN)	4.250%	8/1/2031	\$425	Ba1 / BB+ / BB+	N / N / S	\$82.8	7.31%	313	323	174	\$14,592	\$1,473	\$4,496	\$375	\$189	3.1x	2.8x	\$6,622	4.7x
Nordstrom Inc (JWN)	5.000%	1/15/2044	\$966	Ba1 / BB+ / BB+	N / N / S	\$69.5	8.12%	366	377										
Kohl's Corporation (KSS)	4.625%	5/1/2031	\$500	Ba3 / BB / BBB-	N / N / N	\$79.1	8.60%	445	451	174	\$17,539	\$1,142	\$8,046	\$190	\$278	7.0x	6.9x	\$10,845	8.3x
Kohl's Corporation (KSS)	5.550%	7/17/2045	\$427	Ba3 / BB / BBB-	N / N / N	\$66.8	9.11%	465	478										

Source: BofA Global Research, Bloomberg

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### Exhibit 13: Restaurant, Food & Drug Retail Historical Spread & Return Monitor

Benchmark spread and credit metrics by issuer

																Credit Metrics			
			Outstanding	Ratings	Current Pricing			5-yr	LTM			Net	Total Debt/	Net Debt/	EV /				
Issuer	Coupon	Maturity	(\$mil)	Mdy/S&P/Fit	Outlook	Bid	YTW	G- spd	T- spd	CDS	Revenue	EBITDAR	Debt	Cash	FCF	EBITDAR	EBITDAR	EV	EBITDAR
Starbucks Corp (SBUX)	2.250%	3/12/2030	\$750	Baa1 / BBB+ / --	S / S / --	\$86.2	4.93%	76	85	--	\$35,976	\$8,741	\$24,600	\$3,953	\$426	2.8x	2.4x	\$124,174	14.1x
Starbucks Corp (SBUX)	2.550%	11/15/2030	\$1,250	Baa1 / BBB+ / --	S / S / --	\$87.0	4.86%	77	77										
Starbucks Corp (SBUX)	3.000%	2/14/2032	\$1,000	Baa1 / BBB+ / --	S / S / --	\$87.8	4.88%	77	79										
Starbucks Corp (SBUX)	4.800%	2/15/2033	\$500	Baa1 / BBB+ / --	S / S / --	\$99.4	4.88%	77	80										
Starbucks Corp (SBUX)	3.350%	3/12/2050	\$500	Baa1 / BBB+ / --	S / S / --	\$71.8	5.38%	103	109										
Starbucks Corp (SBUX)	3.500%	11/15/2050	\$1,250	Baa1 / BBB+ / --	S / S / --	\$74.1	5.33%	101	105										
McDonald's Corp (MCD)	3.600%	7/1/2030	\$1,000	Baa1 / BBB+ / --	S / S / --	\$93.4	4.84%	74	75	24	\$25,014	\$15,156	\$49,082	\$3,496	\$358	3.3x	3.1x	\$259,856	17.0x
McDonald's Corp (MCD)	4.600%	9/9/2032	\$750	Baa1 / BBB+ / --	S / S / --	\$99.2	4.72%	61	63										
McDonald's Corp (MCD)	4.950%	8/14/2033	\$600	Baa1 / BBB+ / --	S / S / --	\$100.4	4.89%	78	81										
McDonald's Corp (MCD)	4.200%	4/1/2050	\$750	Baa1 / BBB+ / --	S / S / --	\$83.4	5.39%	107	111										
McDonald's Corp (MCD)	5.150%	9/9/2052	\$750	Baa1 / BBB+ / --	S / S / --	\$96.5	5.39%	109	113										
McDonald's Corp (MCD)	5.450%	8/14/2053	\$800	Baa1 / BBB+ / --	S / S / --	\$100.9	5.39%	109	114										
Kroger Co (KR)	1.700%	1/15/2031	\$500	Baa1 / BBB / --	N / N / --	\$80.6	5.09%	96	101	41	\$147,798	\$7,946	\$19,839	\$1,725	\$1,330	2.5x	2.3x	\$58,972	6.7x
Kroger Co (KR)	5.400%	1/15/2049	\$600	Baa1 / BBB / --	N / N / --	\$98.3	5.52%	116	123										
Kroger Co (KR)	3.950%	1/15/2050	\$750	Baa1 / BBB / --	N / N / --	\$79.7	5.42%	108	114										
7-Eleven Inc. (SVELEV)	1.800%	2/10/2031	\$1,700	Baa2 / A / --	S / S / --	\$80.5	5.19%	110	111	--	--	--	--	--	--	--	--	--	--
7-Eleven Inc. (SVELEV)	2.800%	2/10/2051	\$1,250	Baa2 / A / --	S / S / --	\$62.8	5.45%	114	117										
Alimentation Couche-Tard (ATDBCN)	2.950%	1/25/2030	\$750	Baa1 / BBB+ / --	S / S / --	\$89.9	4.95%	86	88	--	\$68,368	\$5,791	\$9,466	\$1,405	(\$229)	1.6x	1.4x	\$67,715	10.1x
Alimentation Couche-Tard (ATDBCN)	3.625%	5/13/2051	\$350	Baa1 / BBB+ / --	S / S / --	\$74.5	5.43%	111	116										
Darden Restaurant Inc (DRI)	3.850%	5/1/2027	\$500	Baa2 / BBB / BBB	S / S / S	\$96.5	5.06%	79	80	43	\$10,772	\$3,875	\$8,965	\$192	(\$157)	3.4x	3.3x	\$27,284	12.8x
Darden Restaurant Inc (DRI)	6.300%	10/10/2033	\$500	Baa2 / BBB / BBB	S / S / S	\$105.6	5.53%	141	144										
Darden Restaurant Inc (DRI)	4.550%	2/15/2048	\$300	Baa2 / BBB / BBB	S / S / S	\$82.7	5.91%	154	161										
Albertson Cos Inc (ACI)	4.875%	2/15/2030	\$1,000	Ba3 *+ / BB+ *+ / --	-- / -- / --	\$94.3	6.04%	192	196	90	\$79,163	\$3,862	\$15,036	\$223	(\$3,537)	3.9x	3.8x	\$26,554	5.5x

Source: BofA Global Research, Bloomberg

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**Exhibit 14: Consumer Products Historical Spread & Return Monitor**

Benchmark spread and credit metrics by issuer

																Credit Metrics				
Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing				5-yr CDS	LTM				Net FCF	Total Debt/	Net Debt/	EV /		
						Bid	YTW	G- spd	T- spd		Revenue	EBITDA	Debt	Cash						
Procter & Gamble (PG)	2.300%	2/1/2032	\$850	Aa3 / AA- / --	S / S / --	\$86.3	4.36%	26	28	22	\$83,265	\$22,375	\$35,880	\$9,733	\$2,091	1.6x	1.2x	\$405,832	18.1x	
Procter & Gamble (PG)	4.050%	1/26/2033	\$850	Aa3 / AA- / --	S / S / --	\$97.0	4.46%	35	37											
Procter & Gamble (PG)	3.600%	3/25/2050	\$491	Aa3 / AA- / --	S / S / --	\$83.2	4.73%	39	45											
Colgate-Palmolive Co (CL)	3.250%	8/15/2032	\$500	Aa3 / AA- / --	S / N / --	\$91.0	4.55%	42	47	35	\$19,136	\$4,455	\$8,724	\$951	(\$136)	2.1x	1.9x	\$81,046	15.7x	
Colgate-Palmolive Co (CL)	4.600%	3/1/2033	\$500	Aa3 / AA- / --	S / N / --	\$100.6	4.51%	39	43											
Colgate-Palmolive Co (CL)	3.700%	8/1/2047	\$500	Aa3 / AA- / --	S / N / --	\$84.0	4.85%	47	54											
Unilever Capital Corp (UNANA)	1.750%	8/12/2031	\$850	A1 / A+ / Au	S / S / S	\$81.6	4.72%	61	64	17	\$59,604	\$10,350	\$29,622	\$4,159	\$1,661	2.9x	2.5x	\$139,189	11.6x	
Unilever Capital Corp (UNANA)	5.000%	12/8/2033	\$800	A1 / A+ / Au	S / S / S	\$101.3	4.83%	71	74											
Unilever Capital Corp (UNANA)	2.625%	8/12/2051	\$650	A1 / A+ / Au	S / S / S	\$65.7	4.91%	59	64											
Kimberly-Clark Corp (KMB)	2.000%	11/2/2031	\$600	A2 / A / --	S / S / --	\$83.2	4.64%	52	55	42	\$20,425	\$3,752	\$8,090	\$814	\$978	2.2x	2.0x	\$50,004	10.8x	
Kimberly-Clark Corp (KMB)	4.500%	2/16/2033	\$350	A2 / A / --	S / S / --	\$98.9	4.65%	51	56											
Kimberly-Clark Corp (KMB)	2.875%	2/7/2050	\$500	A2 / A / --	S / S / --	\$68.9	5.04%	68	75											
SC Johnson & Son Inc (SCJOHN)	4.750%	10/15/2046	\$850	A- / BBB+ / --	S / N / --	\$89.8	5.54%	117	123	--	--	--	--	--	--	--	--	--	--	
Estee Lauder Co Inc (EL)	4.650%	5/15/2033	\$700	A1 / A / --	N / N / --	\$98.3	4.88%	77	79	--	\$15,545	\$2,032	\$8,093	\$3,090	(\$283)	4.2x	3.0x	\$60,711	25.6x	
Estee Lauder Co Inc (EL)	5.150%	5/15/2053	\$600	A1 / A / --	N / N / --	\$97.3	5.33%	104	108											
Kenvue (KVUE)	5.000%	3/22/2030	\$973	A1 / A / --	S / S / --	\$101.1	4.78%	71	70	--	\$14,950	\$3,624	\$8,198	\$1,062	\$2,119	2.3x	2.0x	\$45,076	12.4x	
Kenvue (KVUE)	4.900%	3/22/2033	\$1,224	A1 / A / --	S / S / --	\$100.1	4.88%	77	80											
Kenvue (KVUE)	5.050%	3/22/2053	\$1,500	A1 / A / --	S / S / --	\$98.2	5.17%	87	92											
Reckitt Benckiser TSY (RKTLLN)	3.000%	6/26/2027	\$2,500	A3 / A- / --	S / S / --	\$94.4	4.87%	60	63	--	\$13,234	\$3,239	\$9,637	\$1,259	\$1,258	3.0x	2.6x	\$53,852	16.6x	
Church & Dwight Co Inc (CHD)	5.600%	11/15/2032	\$500	A3 / BBB+ / --	S / S / --	\$104.7	4.91%	79	83	--	\$5,776	\$1,307	\$2,405	\$573	\$792	1.9x	1.5x	\$27,772	19.2x	
Church & Dwight Co Inc (CHD)	3.950%	8/1/2047	\$400	A3 / BBB+ / --	S / S / --	\$81.1	5.38%	101	107											
Church & Dwight Co Inc (CHD)	5.000%	6/15/2052	\$500	A3 / BBB+ / --	S / S / --	\$95.7	5.29%	96	103											
Clorox Company (CLX)	1.800%	5/15/2030	\$500	Baa1 / BBB+ / --	S / N / --	\$83.6	4.92%	81	84	58	\$7,035	\$1,074	\$2,913	\$518	\$247	2.9x	2.5x	\$22,301	15.8x	
Clorox Company (CLX)	4.600%	5/1/2032	\$600	Baa1 / BBB+ / --	S / N / --	\$98.1	4.88%	77	79											
Haleon Plc (HLNLLN)	3.625%	3/24/2032	\$1,998	Baa1 / BBB / --	S / -- / --	\$90.28	5.12%	101	103	--	\$9,545	\$2,413	\$9,782	\$405	\$25	4.1x	3.9x	\$38,861	16.1x	
Haleon Plc (HLNLLN)	4.000%	3/24/2052	\$1,000	Baa1 / BBB / --	S / -- / --	\$80.8	5.33%	100	106											
Whirlpool Corp (WHR)	4.700%	5/14/2032	\$300	Baa2 / BBB / BBB	S / N / N	\$94.9	5.48%	135	139	139	\$19,290	\$1,489	\$7,664	\$1,123	(\$197)	5.3x	4.4x	\$12,569	7.6x	
Whirlpool Corp (WHR)	5.500%	3/1/2033	\$300	Baa2 / BBB / BBB	S / N / N	\$99.5	5.58%	145	149											
Whirlpool Corp (WHR)	4.600%	5/15/2050	\$500	Baa2 / BBB / BBB	S / N / N	\$81.2	6.04%	169	175											
Hasbro Inc (HAS)	3.900%	11/19/2029	\$900	Baa2 / BBB / BBB-	N / N / N	\$92.6	5.43%	135	135	94	\$5,393	\$1,026	\$3,715	\$186	(\$146)	3.6x	3.5x	\$10,187	14.3x	
Hasbro Inc (HAS)	5.100%	5/15/2044	\$300	Baa2 / BBB / BBB-	N / N / N	\$86.2	6.32%	193	198											
Brunswick Corp (BC)	2.400%	8/18/2031	\$550	Baa2 / BBB- / BBB	S / P / S	\$80.4	5.67%	159	159	174	\$6,401	\$1,008	\$2,593	\$468	\$57	2.6x	2.1x	\$8,354	7.6x	
Brunswick Corp (BC)	4.400%	9/15/2032	\$450	Baa2 / BBB- / BBB	S / P / S	\$90.4	5.85%	173	177											
Brunswick Corp (BC)	5.100%	4/1/2052	\$300	Baa2 / BBB- / BBB	S / P / S	\$80.3	6.66%	233	240											
Mattel Inc (MAT)	3.750%	4/1/2029	\$600	Baa3 / BBB / BBB-	S / S / S	\$92.1	5.57%	143	149	230	\$5,441	\$739	\$2,590	\$1,261	\$710	3.5x	1.8x	\$8,289	9.8x	
Newell Brands Inc (NWL)	6.625%	9/15/2029	\$500	Ba3 / BB- / BB-	N / N / S	\$96.5	7.41%	329	333	358	\$8,133	\$1,226	\$5,472	\$332	\$462	4.5x	4.2x	\$8,415	8.6x	
Newell Brands Inc (NWL)	6.500%	4/1/2046	\$666	Ba3 / BB- / BB-	N / N / S	\$81.1	8.98%	462	465											

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH





# Exhibit 15: Packaged Food Spread & Return Monitor

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing				5-yr CDS	Revenue	EBITDA	Debt	Cash	Net FCF	Credit Metrics			
						Bid	YTW	G- T-								LTM	Total Debt/	Net Debt/	EV /
								spd	spd										
																EBITDA	EBITDA	EV	EBITDA
Nestle Holdings Inc. (NESNVX)	4.850%	3/14/2033	\$650	Aa3 / AA- / A+	S / S / S	\$100.7	4.76%	57	67	25	CHF 93,351	CHF 17,521	CHF 54,434	CHF 4,816	(CHF 2,836)	3.1x	2.8x	\$299,701	18.5x
Nestle Holdings Inc. (NESNVX)	4.700%	1/15/2053	\$1,000	Aa3 / AA- / A+	S / S / S	\$95.0	5.03%	74	78										
Hershey Company (HSY)	4.500%	5/4/2033	\$400	A1 / A / --	S / S / --	\$98.9	4.65%	56	56	30	\$11,160	\$3,113	\$4,914	\$471	\$521	1.7x	1.6x	\$44,565	13.5x
Hershey Company (HSY)	2.650%	6/1/2050	\$350	A1 / A / --	S / S / --	\$65.6	5.02%	68	74										
Mars Inc. (MARS)	1.625%	7/16/2032	\$700	A1 / A+ / --	S / S / --	\$78.0	4.87%	75	78	--	--	--	--	--	--	--	--	--	--
Mars Inc. (MARS)	2.450%	7/16/2050	\$400	A1 / A+ / --	S / S / --	\$61.3	5.15%	84	87										
Hormel Foods (HRL)	1.800%	6/11/2030	\$1,000	A1 / A- / --	N / S / --	\$84.0	4.80%	69	71	--	\$12,195	\$1,314	\$3,445	\$963	\$172	2.6x	1.9x	\$21,059	14.3x
Hormel Foods (HRL)	3.050%	6/3/2051	\$600	A1 / A- / --	N / S / --	\$68.5	5.23%	91	96										
Archer-Daniels-Midland Co (ADM)	4.500%	8/15/2033	\$500	A2 *- / A *- / A	-- / -- / S	\$96.4	4.98%	88	89	45	\$97,188	\$3,306	\$10,288	\$1,498	(\$190)	3.1x	2.7x	\$37,563	10.9x
Archer-Daniels-Midland Co (ADM)	2.700%	9/15/2051	\$750	A2 *- / A *- / A	-- / -- / S	\$64.4	5.13%	83	86										
Cargill Inc (CARGIL)	4.750%	4/24/2033	\$500	A2 / A / A	S / S / S	\$96.9	5.17%	93	109	55	--	--	--	--	--	--	--	--	--
Cargill Inc (CARGIL)	4.375%	4/22/2052	\$500	A2 / A / A	S / S / S	\$87.2	5.25%	92	99										
Danone SA (BNFP)	0.395%	6/10/2029	\$800	Baa1 / BBB+ / --	S / S / --	\$86.7	3.20%	90	86	31	\$27,619	\$4,787	\$16,250	\$2,363	\$1,316	3.4x	2.9x	\$50,114	11.1x
Mondelez International Holdings Netherlands BV (MIHN)	1.250%	9/24/2026	\$350	A3 / BBB / --	S / S / --	\$91.1	5.04%	66	67										
Mondelez International (MDLZ)	3.000%	3/17/2032	\$750	Baa1 / BBB / --	S / S / --	\$86.8	5.03%	89	94	42	\$35,397	\$6,803	\$19,986	\$1,610	\$530	3.2x	2.9x	\$115,638	16.3x
Mondelez International (MDLZ)	2.625%	9/4/2050	\$1,125	Baa1 / BBB / WD	S / S / --	\$63.4	5.18%	83	90										
Ingredion Inc (INGR)	2.900%	6/1/2030	\$600	Baa1 / BBB / BBB	S / S / S	\$88.9	5.00%	90	92	--	\$8,226	\$1,148	\$2,406	\$335	\$123	2.2x	1.9x	\$9,719	7.3x
Ingredion Inc (INGR)	3.900%	6/1/2050	\$400	Baa1 / BBB / BBB	S / S / S	\$74.1	5.84%	149	156										
Sysco Corporation (SYN)	2.450%	12/14/2031	\$450	Baa1 / BBB / BBB	S / S / S	\$83.4	5.07%	94	98	59	\$76,818	\$3,954	\$11,698	\$569	\$739	3.0x	2.8x	\$52,136	11.4x
Sysco Corporation (SYN)	6.000%	1/17/2034	\$500	Baa1 / BBB / BBB	S / S / S	\$106.3	5.16%	105	108										
Sysco Corporation (SYN)	3.150%	12/14/2051	\$800	Baa1 / BBB / BBB	S / S / S	\$68.8	5.32%	99	105										
McCormick & Co (MKC)	4.950%	4/15/2033	\$500	Baa2 / BBB / --	S / S / --	\$98.8	5.11%	102	103	--	\$6,605	\$1,311	\$4,777	\$155	\$344	3.6x	3.6x	\$22,949	16.9x
McCormick & Co (MKC)	4.200%	8/15/2047	\$300	Baa2 / BBB / --	S / S / --	\$83.2	5.48%	112	117										
General Mills Inc (GIS)	4.950%	3/29/2033	\$1,000	Baa2 / BBB / --	S / S / --	\$98.9	5.11%	98	102	34	\$20,281	\$4,109	\$12,282	\$491	(\$516)	3.1x	3.0x	\$49,271	14.8x
General Mills Inc (GIS)	3.000%	2/1/2051	\$605	Baa2 / BBB / --	S / S / --	\$65.8	5.44%	109	116										
Kellanova (K)	5.250%	3/1/2033	\$400	Baa2 / NR / BBB	S / -- / S	\$99.9	5.27%	114	118	65	\$15,866	\$2,536	\$7,674	\$1,099	\$440	3.7x	3.3x	\$24,977	11.7x
Kellanova (K)	4.500%	4/1/2046	\$650	Baa2 / NR / BBB	S / -- / S	\$87.8	5.46%	111	114										
Flowers Foods Inc (FLO)	2.400%	3/15/2031	\$500	Baa2 / BBB / BBB	S / S / S	\$84.3	5.09%	101	100	--	\$5,091	\$571	\$1,333	\$23	(\$21)	2.3x	2.3x	\$6,138	10.7x
JM Smucker Co (SJM)	6.200%	11/15/2033	\$1,000	Baa2 / BBB / --	S / N / --	\$107.1	5.23%	111	115	--	\$8,461	\$1,668	\$4,495	\$241	(\$229)	2.6x	2.4x	\$21,476	11.5x
JM Smucker Co (SJM)	6.500%	11/15/2053	\$1,000	Baa2 / BBB / --	S / N / --	\$110.6	5.74%	145	149										
Tyson Foods Inc (TSN)	4.350%	3/1/2029	\$1,000	Baa2 / BBB / BBB	N / S / S	\$95.5	5.38%	127	131	58	\$52,999	\$2,149	\$9,506	\$573	(\$1,200)	4.4x	4.2x	\$27,575	11.4x
Tyson Foods Inc (TSN)	5.100%	9/28/2048	\$1,500	Baa2 / BBB / BBB	N / S / S	\$89.8	5.90%	154	160										
Campbell Soup Co (CPB)	2.375%	4/24/2030	\$500	Baa2 / BBB- / BBB *-	S / S / --	\$85.9	5.08%	98	100	47	\$9,357	\$1,753	\$4,689	\$189	\$206	2.9x	2.8x	\$17,310	10.1x
Campbell Soup Co (CPB)	3.125%	4/24/2050	\$500	Baa2 / BBB- / BBB *-	S / S / --	\$66.0	5.62%	128	134										
Conagra Brands Inc (CAG)	7.000%	10/1/2028	\$382	Baa3 / BBB- / BBB-	S / S / S	\$107.5	5.12%	96	101	42	\$12,277	\$2,586	\$9,274	\$93	\$61	3.6x	3.6x	\$22,548	11.1x
Conagra Brands Inc (CAG)	5.400%	11/1/2048	\$1,000	Baa3 / BBB- / BBB-	S / S / S	\$93.9	5.87%	152	157										
Kraft Heinz Foods Co (KHC)	3.750%	4/1/2030	\$741	Baa2 / BBB / BBB	S / P / S	\$94.2	4.88%	79	80	48	\$27,161	\$6,400	\$19,878	\$1,053	\$545	3.1x	2.9x	\$61,752	9.6x
Kraft Heinz Foods Co (KHC)	4.375%	6/1/2046	\$2,786	Baa2 / BBB / BBB	S / P / S	\$84.4	5.61%	125	129										
Kraft Heinz Foods Co (KHC)	4.875%	10/1/2049	\$1,450	Baa2 / BBB / BBB	S / P / S	\$90.4	5.59%	125	130										
JBS USA (JBSSBZ)	6.750%	3/15/2034	\$1,600	Baa3 / BBB- / BBB-	S / S / S	\$104.2	6.18%	207	209	--	R\$ 360,341	R\$ 16,494	R\$ 101,338	R\$ 26,790	-R\$ 5,989	6.1x	4.5x	R\$ 141,077	4.0x
JBS USA (JBSSBZ)	7.250%	11/15/2053	\$900	Baa3 / BBB- / BBB-	S / S / S	\$105.8	6.79%	250	254										
Pilgrim's Pride (PPC)	6.250%	7/1/2033	\$1,000	Ba2 / BBB- / BBB-	S / N / S	\$102.3	5.91%	182	183	--	\$17,362	\$942	\$3,703	\$698	\$134	3.9x	3.2x	\$10,681	8.7x
Pilgrim's Pride (PPC)	6.875%	5/15/2034	\$500	Ba2 / BBB- / BBB-	S / N / S	\$106.6	5.99%	188	190										
Smithfield Foods Inc (SFD)	2.625%	9/13/2031	\$500	Ba1 / BBB- / BBB	S / S / S	\$77.7	6.41%	230	232	42	--	--	--	--	--	--	--	--	--

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

**Exhibit 16: Beverages Historical Spread & Return Monitor**

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing				5-yr CDS	LTM				Net FCF	Credit Metrics			
						Bid	YTW	G-Spd			Revenue	EBITDA	Debt	Cash		Total Debt/ EBITDA	Net Debt/ EBITDA	EV EBITDA	EV /
								T-spd	T-spd										
The Coca-Cola Co. (KO)	2.250%	1/5/2032	\$2,000	A1 / A+ / WD	S / S / --	\$85.0	4.55%	44	47	42	\$45,031	\$16,079	\$40,171	\$11,883	\$1,741	2.5x	1.5x	\$288,536	19.2x
The Coca-Cola Co. (KO)	3.000%	3/5/2051	\$1,700	A1 / A+ / WD	S / S / --	\$71.4	4.93%	61	65										
Coca-Cola European Partners (CCEP)	1.500%	1/15/2027	\$500	Baa1 / -- / BBB+	S / -- / S	\$90.8	5.00%	69	70	--	\$18,302	\$3,131	\$11,396	\$1,419	\$1,111	3.6x	3.2x	\$39,049	11.5x
PepsiCo Inc (PEP)	4.450%	2/15/2033	\$1,000	A1 / A+ / --	S / S / --	\$98.8	4.62%	49	54	42	\$91,617	\$16,953	\$44,774	\$10,283	(\$550)	3.0x	2.4x	\$261,760	15.5x
PepsiCo Inc (PEP)	2.750%	10/21/2051	\$1,000	A1 / A+ / --	S / S / --	\$66.8	4.98%	67	71										
PepsiCo Inc (PEP)	4.650%	2/15/2053	\$500	A1 / A+ / --	S / S / --	\$94.5	5.01%	71	76										
Brown-Forman Corp (BFB)	4.750%	4/15/2033	\$650	A1 / A- / --	S / S / --	\$99.9	4.77%	66	68	--	\$4,272	\$1,355	\$3,110	\$373	\$79	2.3x	2.1x	\$28,783	25.2x
Brown-Forman Corp (BFB)	4.500%	7/15/2045	\$500	A1 / A- / WD	S / S / --	\$90.7	5.23%	85	90										
Diageo Investment Corp (DGELN)	5.500%	1/24/2033	\$750	A3 / A- / A-u	S / S / S	\$104.0	4.92%	81	84	24	£17,113	£6,120	£16,502	£1,439	-£1,382	2.7x	2.5x	£77,061	12.6x
Diageo Investment Corp (DGELN)	1.875%	6/8/2034	\$900	A3 / A- / A-u	S / S / S	\$86.9	3.42%	112	110										
Diageo Investment Corp (DGELN)	3.875%	4/29/2043	\$500	A3 / A- / A-u	S / S / S	\$84.5	5.16%	80	83										
Anheuser-Busch InBev Fin (ABIBB)	4.900%	1/23/2031	\$750	A3 / A- / --	S / S / --	\$101.3	4.68%	55	59	62	\$59,091	\$19,928	\$80,900	\$6,848	\$4,662	4.1x	3.7x	\$203,493	10.2x
Anheuser-Busch InBev Fin (ABIBB)	4.900%	2/1/2046	\$9,519	A3 / A- / --	S / S / --	\$95.8	5.22%	85	90										
Anheuser-Busch InBev Fin (ABIBB)	4.500%	6/1/2050	\$1,102	A3 / A- / --	S / S / --	\$90.5	5.16%	83	88										
Heineken NV (HEIANA)	1.750%	3/17/2031	\$750	A3 / BBB+ / --	S / S / --	\$90.0	3.38%	113	111	29	€ 29,725	€ 5,824	€ 19,857	€ 2,168	-€ 1,560	3.4x	3.0x	€ 68,522	10.8x
Heineken NV (HEIANA)	4.350%	3/29/2047	\$650	A3 / BBB+ / --	S / S / --	\$87.9	5.26%	90	95										
Pernod Ricard SA (RIFP)	1.625%	4/1/2031	\$900	Baa1 / BBB+ / BBB+	S/S/S	\$80.0	5.03%	92	95	62	€ 12,136	€ 3,765	€ 10,741	€ 1,624	(€ 427)	2.9x	2.4x	€ 50,742	16.7x
Pernod Ricard SA (RIFP)	2.750%	10/1/2050	\$500	Baa1 / BBB+ / BBB+	S/S/S	\$63.9	5.29%	95	102										
Suntory Holdings LTD (SUNTOR)	6.625%	7/15/2028	\$184	Baa1 / BBB+ / WD	S / S / --	\$105.5	5.20%	104	106	--	¥2,952	¥439	¥1,348	¥319	¥85	3.1x	2.3x		
JAB Holdings BV (JABHOL)	1.000%	7/14/2031	\$306	Baa1 / BBB+ / --	S / S / --	\$84.3	3.46%	121	120	--	--	--	--	--	--	--	--	--	--
JAB Holdings BV (JABHOL)	3.750%	5/28/2051	\$500	Baa1 / BBB+ / --	S / S / --	\$65.8	6.42%	209	215										
JAB Holdings BV (JABHOL)	4.500%	4/8/2052	\$500	Baa1 / BBB+ / --	S / S / --	\$75.4	6.39%	208	213										
Keurig Dr Pepper (KDP)	4.050%	4/15/2032	\$850	Baa1 / BBB / --	S / S / --	\$93.1	5.10%	97	101	--	\$14,750	\$4,116	\$12,860	\$260	(\$467)	3.1x	3.1x	\$54,920	14.2x
Keurig Dr Pepper (KDP)	3.350%	3/15/2051	\$500	Baa1 / BBB / --	S / S / --	\$70.0	5.49%	117	122										
Keurig Dr Pepper (KDP)	4.500%	4/15/2052	\$1,150	Baa1 / BBB / --	S / S / --	\$85.8	5.50%	120	124										
Constellation Brands Inc (STZ)	4.750%	5/9/2032	\$700	Baa3 / BBB / --	S / S / --	\$97.3	5.17%	104	108	96	\$9,786	\$3,486	\$11,707	\$83	\$686	3.2x	3.2x	\$59,243	15.8x
Constellation Brands Inc (STZ)	4.900%	5/1/2033	\$750	Baa3 / BBB / --	S / S / --	\$98.0	5.18%	106	109										
Constellation Brands Inc (STZ)	3.750%	5/1/2050	\$600	Baa3 / BBB / --	S / S / --	\$75.5	5.53%	118	125										
Molson Coors Brewing Co (TAP)	3.000%	7/15/2026	\$2,000	Baa2 / BBB / WD	P / S / --	\$95.4	5.08%	62	67	52	\$11,541	\$2,412	\$6,180	\$802	\$950	2.7x	2.3x	\$19,448	7.5x
Molson Coors Brewing Co (TAP)	4.200%	7/15/2046	\$1,800	Baa2 / BBB / WD	P / S / --	\$83.2	5.52%	116	120										
Bacardi LTD (BACARD)	5.400%	6/15/2033	\$700	Baa3 / BBB- / BBB-	-- / -- / --	\$99.9	5.41%	129	132	--	--	--	--	--	--	--	--	--	--
Bacardi LTD (BACARD)	5.900%	6/15/2043	\$400	Baa3 / BBB- / BBB-	-- / -- / --	\$101.3	5.79%	142	147										
Bacardi LTD (BACARD)	5.300%	5/15/2048	\$700	Baa3 / BBB- / BBB-	S / S / S	\$94.3	5.74%	139	144										
JDE Peet's NV (JDEPNA)	2.250%	9/24/2031	\$500	Baa3 / BBB- / BBB	S / S / S	\$79.5	5.62%	150	153	--	€ 8,191	€ 1,323	€ 5,915	€ 2,048	€ 228	4.5x	2.9x	€ 14,154	8.9x

Source: BofA Global Research, Bloomberg

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**Exhibit 17: Tobacco Historical Return & Spread Monitor**

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing				5-yr CDS	LTM				Net FCF	Credit Metrics				
						Bid	YTW	G- spd	T- spd		Revenue	EBITDA	Debt	Cash		Total Debt/ EBITDA	Net Debt/ EBITDA	EV EV	EV / EBITDA	
Japan Tobacco (JAPTOB)	2.250%	9/14/2031	\$625	A2 / A+ / --	S / -- / --	\$82.7	5.06%	94	97		¥2,841,077	¥843,731	¥1,142,259	¥1,040,206	¥104,821		1.4x	0.1x	¥299,701	0.4x
Japan Tobacco (JAPTOB)	3.300%	9/14/2051	\$400	A2 / A+ / --	S / -- / --	\$67.8	5.62%	128	135											
Philip Morris Intl Inc (PM)	1.750%	11/1/2030	\$750	A2 / A- / A	S / S / N	\$81.8	5.00%	89	91	42	\$34,359	\$14,111	\$47,715	\$3,017	(\$276)		3.5x	3.3x	\$191,101	13.5x
Philip Morris Intl Inc (PM)	5.750%	11/17/2032	\$1,500	A2 / A- / A	S / S / N	\$102.9	5.32%	120	124											
Philip Morris Intl Inc (PM)	5.375%	2/15/2033	\$2,250	A2 / A- / A	S / S / N	\$100.4	5.32%	121	123											
Philip Morris Intl Inc (PM)	5.625%	9/7/2033	\$1,000	A2 / A- / A	S / S / N	\$102.0	5.35%	124	126											
Philip Morris Intl Inc (PM)	4.250%	11/10/2044	\$1,250	A2 / A- / A	S / S / N	\$84.3	5.54%	116	120											
Altria Group (MO)	3.125%	6/15/2031	\$1,250	A3 / BBB / BBB	S / P / S	\$92.3	4.39%	205	213	42	\$20,561	\$12,131	\$25,098	\$1,537	\$641		2.1x	2.0x	\$96,539	8.0x
Altria Group (MO)	2.450%	2/4/2032	\$1,750	A3 / BBB / BBB	S / P / S	\$81.0	5.44%	132	136											
Altria Group (MO)	6.875%	11/1/2033	\$500	A3 / BBB / BBB	S / P / S	\$108.9	5.64%	153	156											
Altria Group (MO)	5.375%	1/31/2044	\$1,800	A3 / BBB / BBB	S / P / S	\$97.5	5.58%	117	124											
Altria Group (MO)	3.700%	2/4/2051	\$1,250	A3 / BBB / BBB	S / P / S	\$69.1	6.03%	171	176											
British American Tobacco (BATSLN)	2.726%	3/25/2031	\$1,250	Baa2 / BBB+ / BBB	P / N / P	\$83.25	5.64%	151	156	61	£28,227	£13,906	£42,169	£3,681	£2,318		3.0x	2.8x	\$85,974	6.2x
British American Tobacco (BATSLN)	7.750%	10/19/2032	\$600	Baa2 / BBB+ / BBB	P / N / P	\$111.9	5.93%	179	184											
British American Tobacco (BATSLN)	4.742%	3/16/2032	\$900	Baa2 / BBB+ / BBB	P / N / P	\$94.4	5.62%	149	154											
British American Tobacco (BATSLN)	6.421%	8/2/2033	\$1,250	Baa2 / BBB+ / BBB	P / N / P	\$103.2	5.96%	184	187											
British American Tobacco (BATSLN)	5.282%	4/2/2050	\$500	Baa2 / BBB+ / BBB	P / N / P	\$83.4	6.63%	228	235											
British American Tobacco (BATSLN)	3.984%	9/25/2050	\$1,000	Baa2 / BBB+ / BBB	P / N / P	\$68.5	6.49%	215	221											
British American Tobacco (BATSLN)	5.650%	3/16/2052	\$600	Baa2 / BBB+ / BBB	P / N / P	\$87.8	6.62%	229	235											
British American Tobacco (BATSLN)	7.081%	8/2/2053	\$1,000	Baa2 / BBB+ / BBB	P / N / P	\$104.8	6.71%	241	245											
Imperial Brands Fin Plc (IMBLN)	3.875%	7/26/2029	\$1,000	Baa3 / BBB / BBB	S / S / S	\$93.4	5.31%	122	123	67	£7,961	£4,073	£10,249	£596	(£186)		2.5x	2.4x	£23,752	5.8x

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH



## Valuation & risk

### Molson Coors (TAP)

Molson Coors Beverage Co (TAP), a leading global beer company, benefits from stable core beer brands albeit mainstream & N. America-centric, improved operational efficiency, and ongoing portfolio premiumization while expanding into non-beer categories. TAP has successfully funded brand reinvestment while expanding margins & maintaining FCF near \$1.2bn annually. Backed by a historically conservative financial policy, this allowed for substantial balance sheet improvement (<2.5x net leverage), achievement of desired mid-BBB ratings, and capital allocation flex. We rate TAP bonds Marketweight given the execution improvement offset by limited spread tightening opportunity vs. BBB beverage & food peers trading at flat to slightly wider spreads. The portfolio turnaround is unproven and TAP's scale, margins and geographic diversification lag vs to peers meaning credit profile improvement should slow in FY24-25 even if cash usage remains disciplined.

Upside risks are TAP's ability to retain/expand share gains from its portfolio repositioning, positive rating trajectory momentum, a small remaining debt capital structure, and further margin expansion from cost savings & efficiency efforts. Downside risks are structural headwinds from declining beer category growth in developed markets, exposure to supply chain & commodity disruption, accelerated M&A or share buybacks funded with debt in excess of refinancing needs, or an inability to maintain growth consistent with its new LT algo.

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

### Security/Loan pricing

#### Molson Coors Beverage Co / TAP

	Amt		Ratings			Yield	Spread
Security		Maturity date	Moody's/S&P/Fitch	Price	Price date	(%)	(bps)
3, Senior, USD, 2026:B	2,000	15-JUL-2026	Baa2/BBB/WD	95.16	15-Mar-2024	5.23	55
4.2, Senior, USD, 2046:B	1,800	15-JUL-2046	Baa2/BBB/WD	81.54	15-Mar-2024	5.67	106

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

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

## Disclosures

### Important Disclosures

#### Credit opinion history

#### Molson Coors Beverage Co / TAP

Company	Date <sup>R1</sup>	Action	Recommendation	
Molson Coors Beverage Co / TAP	11-Mar-2024	Initial	Marketweight	
Security	Date <sup>R1</sup>	Action	Recommendation	Price
3, Senior, USD, 2026:B	11-Mar-2024	Initial	Marketweight	95.62
4.2, Senior, USD, 2046:B	11-Mar-2024	Initial	Marketweight	83.31

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

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Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R2</sup>	Count	Percent
Buy	144	37.21%	Buy	119	82.64%
Hold	193	49.87%	Hold	163	84.46%
Sell	50	12.92%	Sell	37	74.00%

<sup>R2</sup> Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only corporate credit issuer recommendations. A corporate credit issuer rated Overweight is included as a Buy, a corporate credit issuer rated Marketweight is included as a Hold, and a corporate credit issuer rated Underweight is included as a Sell.

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