

Internet/e-Commerce

SMID cap eCommerce monthly; January improves for Online categories

Industry Overview

eCommerce trends accelerate in January

In this note, we provide an update on the latest spending and web traffic trends for home furnishings (Online and premium), pets, key categories for Etsy, and ticketing. For January, BAC aggregated credit and debit card data indicates overall eCommerce spend increased 1.6% YoY, with notable strength from categories including Online jewelry (+22.6% YoY) and ticketing agencies (+2.3% YoY). Online furnishings improved to 90bps vs December to 11.1% YoY and outperformed total furnishings, which declined 15.9% YoY (270bps deceleration). Total pet spend in January was relatively stable at -5.4% YoY (on a 2ppt easier comp), and finished Chewy's fiscal quarter (January end) down 5.1% YoY, a deceleration from 1.7% in F3Q.

Spread widens between Online and total furnishings

In January, Online furniture spending decreased 11.1% YoY (a 90bps improvement from Dec at -12.0%), while total furniture spend declined 15.9% YoY (270bps deceleration from -13.2% YoY in Dec). The spread between Online and total furnishings trends is now 4.8ppts, more in line with Oct/Nov levels. Wayfair US web traffic declined 3.8% YoY in Jan (vs. +7.9% in Dec), however still trended well above the industry at -9.4% YoY. Web data appears weak, but we note that recent trends have been volatile, and data suggests the category directionally improving. Wayfair is a top pick for SMID cap Internet (along with Vivid Seats) based on improving topline trends through next year and margin expansion (see [2024 SMID Cap Year Ahead](#)).

Pet trends yet to inflect, persisting slowness in Jan

For Chewy's F4Q (Jan end), pet spend decreased 5.1% YoY (vs. -1.7% in 3Q) as trade downs and low adoption rates continue to pressure the industry. Petfinder.com traffic was down 20.4% YoY vs. Dec at -11.7%, and Chewy web traffic declined 14.5% YoY in January. We project Chewy's 4Q23 revenue to grow 2.6% (40bps below the Street).

Top Etsy categories accelerate

Avg Online spend for Etsy's top product categories in Jan (Online furnishings, apparel, and jewelry) declined 2.7% YoY, an improvement vs. -6.1% YoY in December, according to BAC aggregated credit and debit card data, with Online furniture down most. Online jewelry grew most at 22.6% YoY (vs. 9.9% in Dec) while Online clothing declined 3.0% (2.4ppt accel). Etsy Global traffic declined -7.7% YoY in Jan, down 230bps from December. On a MoM basis, Temu web traffic grew 7.6% MoM to 503mn vs. Etsy contracting 11.6% MoM. For Etsy, we forecast 4Q23 US GMS to decline 1.5% YoY (above the Street at -2.5%), a deceleration of 90bps from 3Q.

Ticketing spend remains a resilient category

Spend on ticketing agencies slowed in January to +2.3% YoY (vs. 8.1% in Dec), although still outpaced total entertainment and travel categories. Web traffic for secondary ticketing sites fell 8pts to +0.5% YoY. Vivid Seats is a top pick given expectations for resilient industry demand and attractive valuation relative to growth.

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DTC: Direct to Consumer

GMS: Gross Merchandise Sales

GOV: Gross Order Value

LSD: Low-Single Digit

See the latest [BofA on USA](#) note for an explanation of the methodology, disclaimers and limitations of BAC card data.

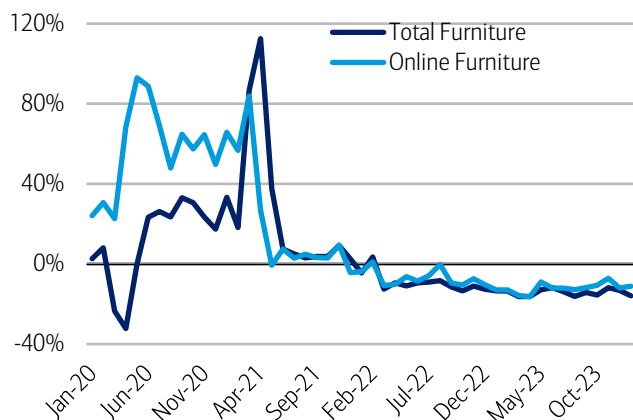
Home furnishings spend and web trends

Online furnishings spending and web traffic trends

For January, Online furniture accelerated 90bps to -11.1% YoY, according to BAC aggregated credit and debit card data, though slowed from -9.7% in 4Q aided by a strong November. Online furniture outpaces total furnishings spend in Jan, which declined 15.9% YoY (2.7ppt decel) and we anticipate this trend continues throughout 2024 based on our outlook for eCommerce penetration to expand.

Exhibit 1: Monthly furniture spending growth, YoY % change according to BAC aggregated credit and debit card data

Online spend has been trending above total furnishings

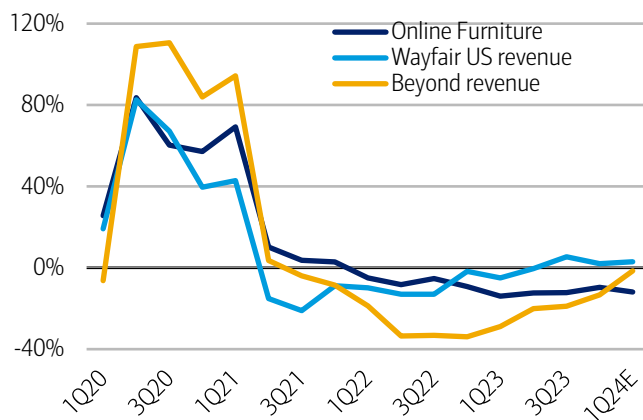


Source: BAC Internal data

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Exhibit 2: Wayfair and Beyond revenues vs. quarterly BAC card data at online furniture retailers (YoY%)*

Industry trends remain negative, with Wayfair outperforming



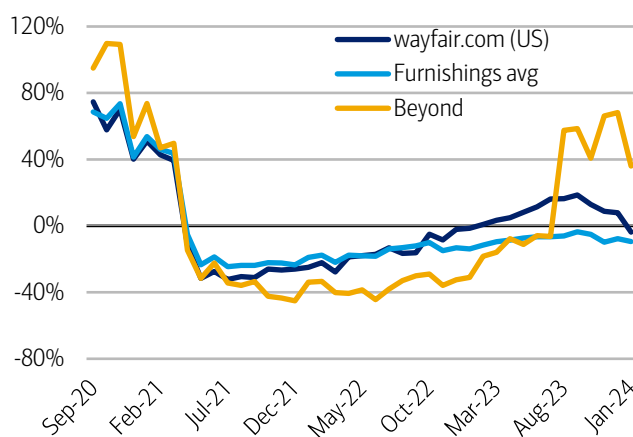
Source: BAC internal data, BofA Global Research | *1Q24 through January

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Wayfair US web traffic decelerated in January by 12pts to -3.8% (vs. +7.9% in January), although is still trending well above the industry which declined 9.4% YoY (down 1.7pts from Dec). Beyond web traffic also decelerated, to 36.0% YoY growth vs. +68.2% prior, as the company possibly comes off a strong, promotional holiday season. In general, web traffic for the last few months appears weak, but we note that recent trends have been volatile, and data suggests the category is directionally still improving off lows.

Exhibit 3: Monthly online home furnishings web traffic (YoY % growth)

Beyond web traffic is spiking after its rebrand

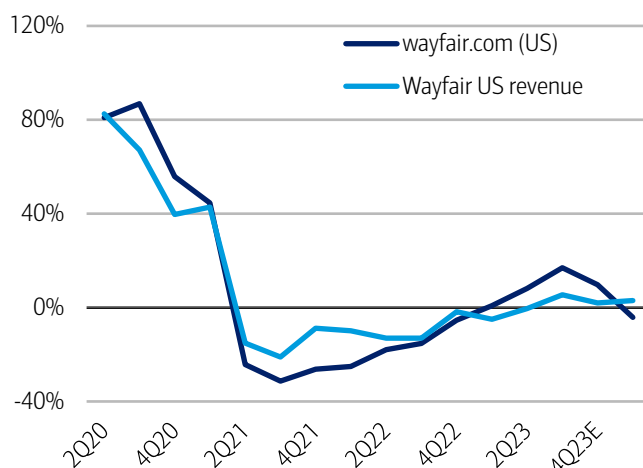


Source: SimilarWeb

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Exhibit 4: Wayfair US revenues vs. web traffic (YoY%)*

Wayfair Web traffic is highly correlated with revenues

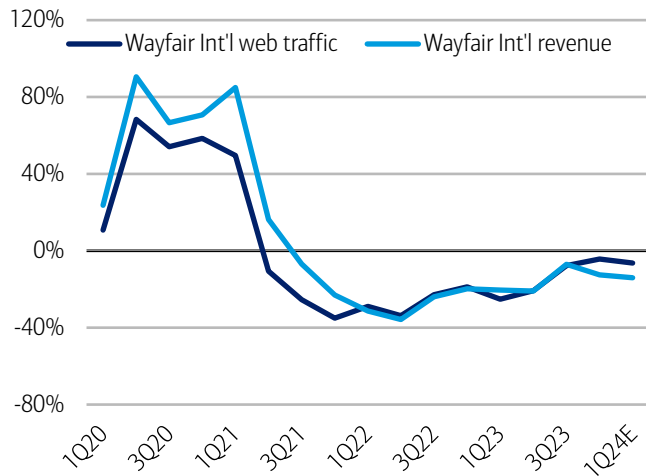


Source: SimilarWeb, BofA Global Research | *1Q24 through January

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Exhibit 5: Wayfair Int'l revenues vs. web traffic (YoY%)*

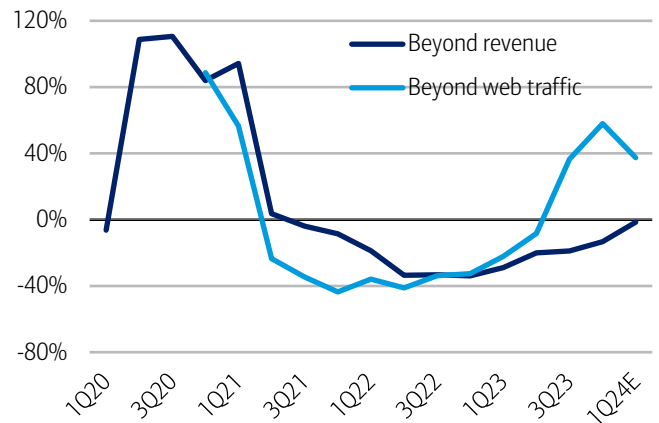
International web traffic is slowly improving



Source: SimilarWeb, Company Filings, BofA Global Research | *1Q24 through January
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Exhibit 6: Beyond revenues vs. web traffic (YoY%)*

The relaunch of the Bed Bath site and rebranding drove an initial spike in traffic



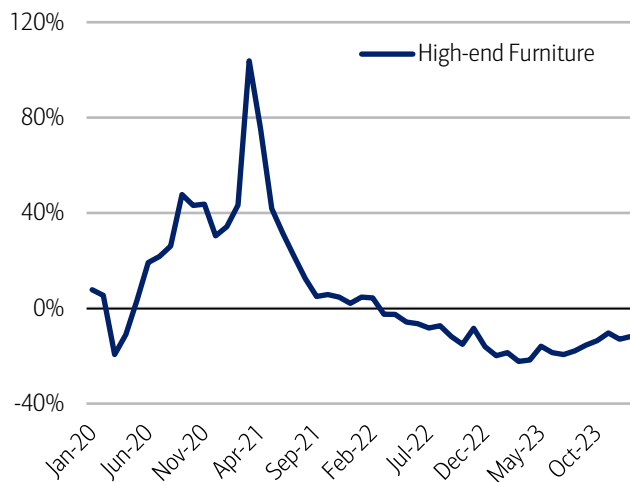
Source: SimilarWeb, Company Filings, BofA Global Research | *1Q24 through January**including Bed Bath as of August '23
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Premium furnishings spending and web traffic trends

For January, premium furniture spending accelerated by 120bps to -11.8% YoY, according to BAC aggregated credit and debit card data, which was also an improvement vs. 4Q at 12.1%. We forecast RH F4Q'23 revenue of 1.8% YoY, (+15ppt accel vs. 3Q) on sourcebook launches and gallery openings.

Exhibit 7: Monthly premium furniture spending growth, YoY % change according to BAC aggregated credit and debit card data

Premium furnishings trends have inflected after two years of soft trends

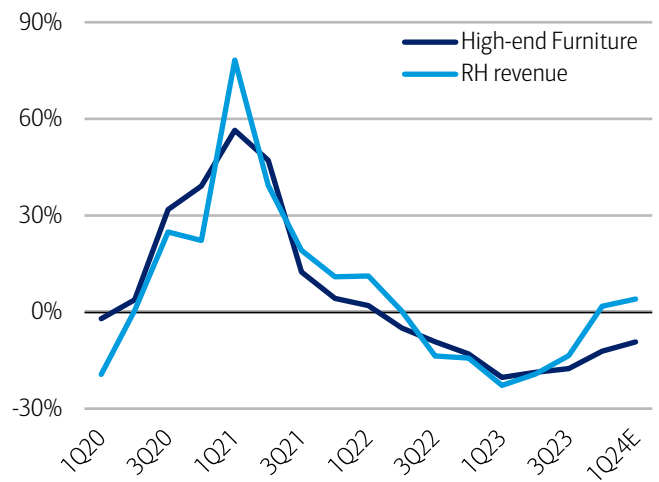


Source: BAC internal data

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Exhibit 8: RH revenues vs. quarterly BAC card data at high-end furniture retailers (YoY%)

We project significant YoY growth in 1H24 on major product launches



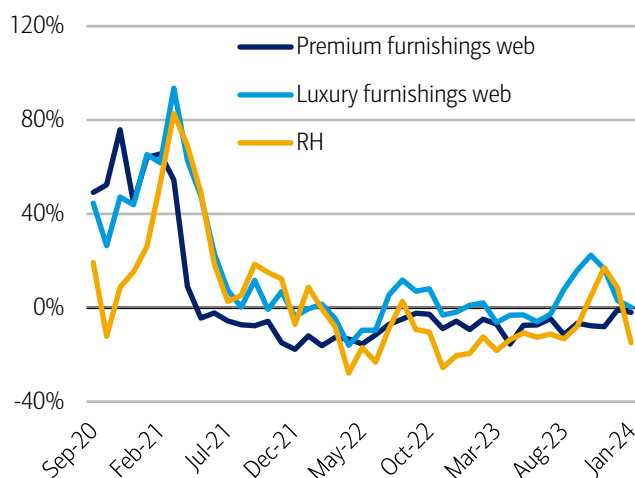
Source: BAC internal data, BofA Global Research | *1Q24 through January

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RH web traffic decelerated 23ppts (on a 1ppt tougher comp) to -14.9% YoY in January, well below luxury furnishings industry at +30bps YoY. Similarweb data appears extremely volatile and we think RH can continue improving trends in 2024 with the largest new product launch in the company's history, release of previously delayed source books and an acceleration in gallery openings.

Exhibit 9: Monthly premium home furnishings monthly traffic (YoY % growth)

Premium furnishings web traffic is directionally improving

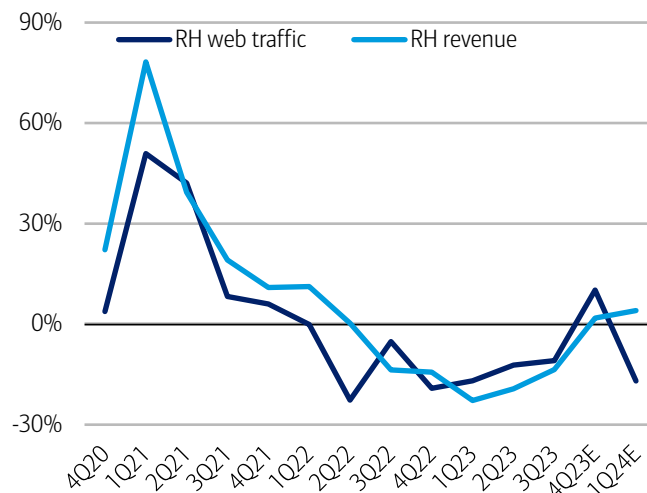


Source: SimilarWeb

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Exhibit 10: RH revenues vs. web traffic (YoY%)

Web traffic is correlated with total revenue



Source: SimilarWeb, Company Filings, BofA Global Research

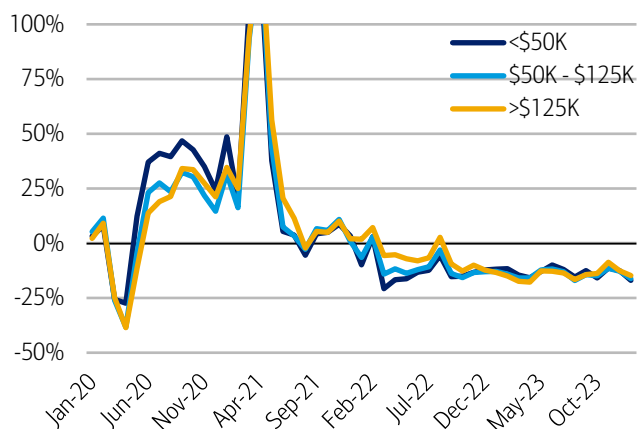
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Monthly trends by low, middle, and high incomes

In January, total furniture spending for higher-income cohorts decreased 14.8% YoY, middle-income decreased 16.1%, and lower income decreased 17.0%. For Online Furniture, higher-income cohorts decreased spend by 9.4% YoY, middle-income decreased 10.8%, and lower-income decreased 11.7%.

Exhibit 11: YoY growth in Total Furniture by income level

High-income (H) spend was slightly above low- (L) and middle-income (H) brackets

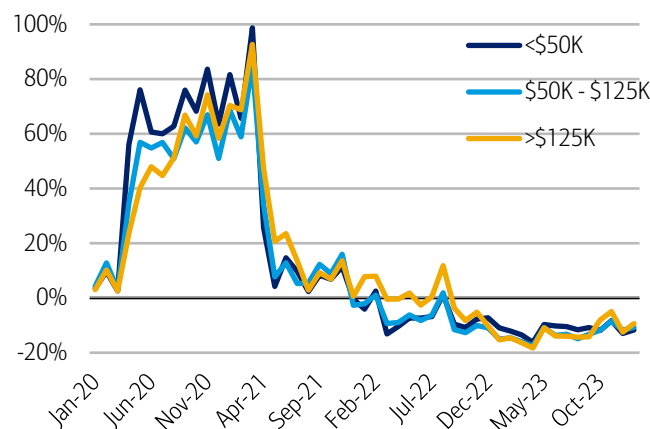


Source: BAC internal data

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Exhibit 12: YoY growth in Online Furniture by income level

High-income (H) spend was slightly above low- (L) and middle-income (H) brackets



Source: BAC internal data

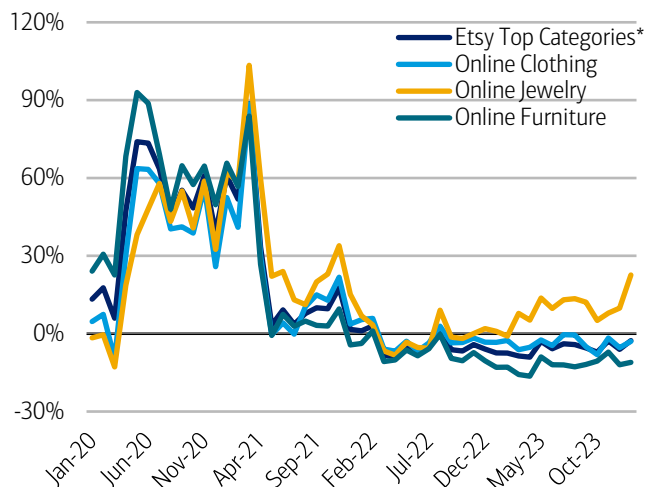
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ETSY category spend and web trends

For the month of January, average online spend for Etsy's top product categories (Online furnishings, apparel, and jewelry) declined 2.7% YoY in January (vs -6.1% YoY in Dec), according to BAC aggregated credit and debit card data. Online furniture and clothing declined 11.1/3.0% YoY vs. Online jewelry growing 22.6% YoY, a 12.7ppt. We forecast Etsy 4Q23 US GMS to contract 1.5% YoY (100bps above Street). This reflects Etsy's updated outlook (announced alongside December layoffs) that 4Q GMS would be down 1-2% YoY, vs. down low-single digits previously.

Exhibit 13: Monthly online spending growth for top Etsy categories YoY% change according to BAC aggregated credit and debit card data

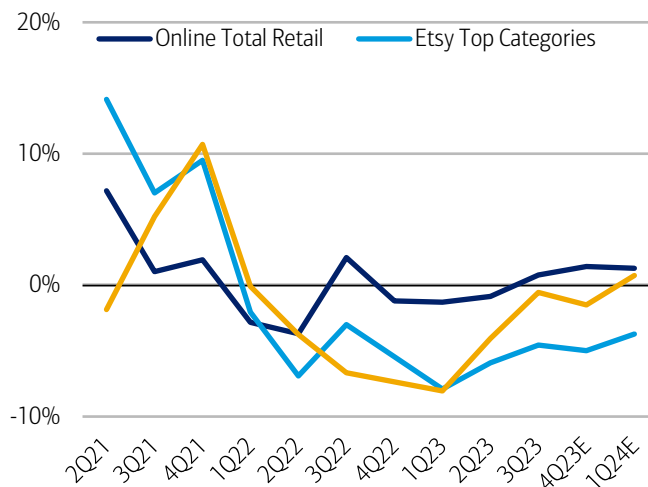
Online Jewelry is outperforming other top categories for Etsy



Source: BAC internal data | *avg. of online furnishings, clothing and jewelry BAC data
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Exhibit 14: Quarterly online spending growth for top Etsy categories YoY% change according to BAC aggregated credit and debit card data

Etsy top category trends are slowly improving



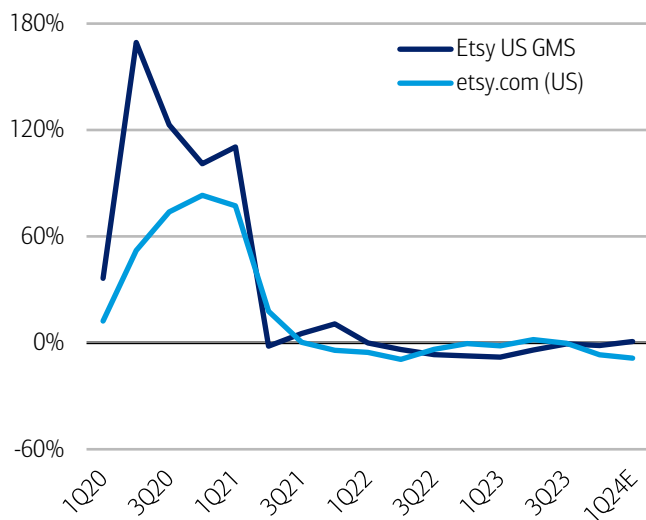
Source: BAC internal data | *avg. of online furnishings, clothing and jewelry BAC data | *1Q24 through January
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Etsy web traffic

Etsy US web traffic in January decelerated 260bps to -8.9% YoY vs. -6.3% YoY in Dec, while Int'l web traffic decelerated 2.1ppts to -6.1% YoY.

Exhibit 15: Etsy US web traffic vs. GMS (YoY % change)

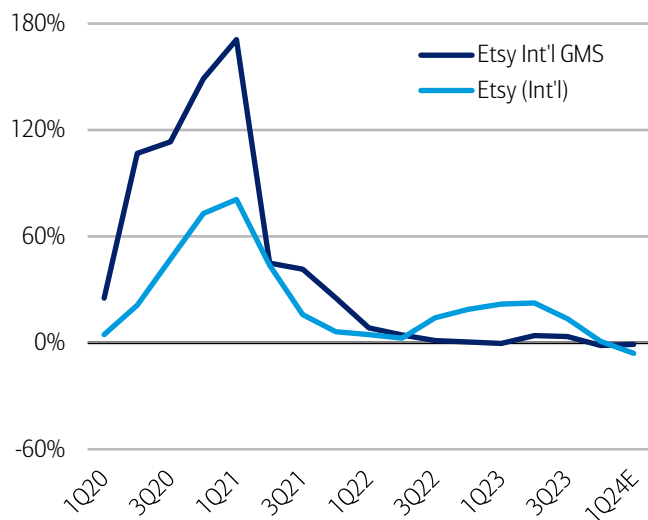
Etsy US web traffic is decelerating



Source: SimilarWeb, company reports, BofA Global Research | *1Q24 through January
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Exhibit 16: Etsy Int'l web traffic vs. GMS (YoY % change)

International Web traffic is decelerating

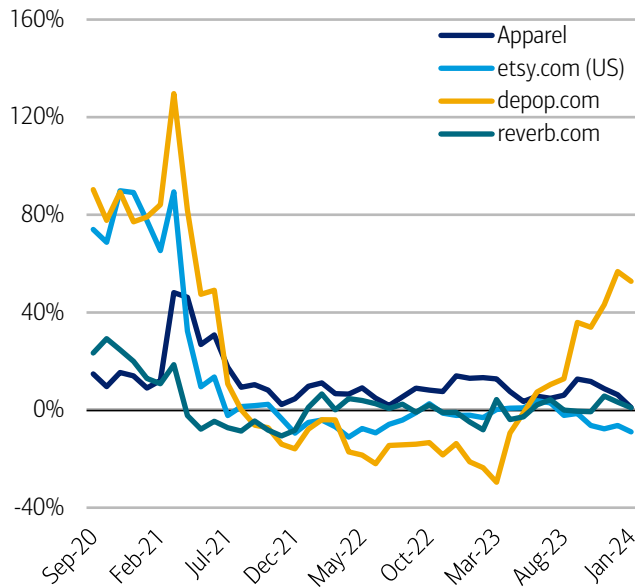


Source: SimilarWeb, company reports, BofA Global Research | *1Q24 through January
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Global web traffic to Temu reached 503mn in January (+7.6% MoM) compared to global Etsy traffic of 474mn (-12% MoM). In 3Q'23, Etsy's CFO called out potential headwinds to paid acquisition channels from Chinese competitors, which could be reflected to Similarweb data.

Exhibit 17: Etsy marketplaces web traffic (YoY% change)

Web traffic to Depop has spiked in recent months

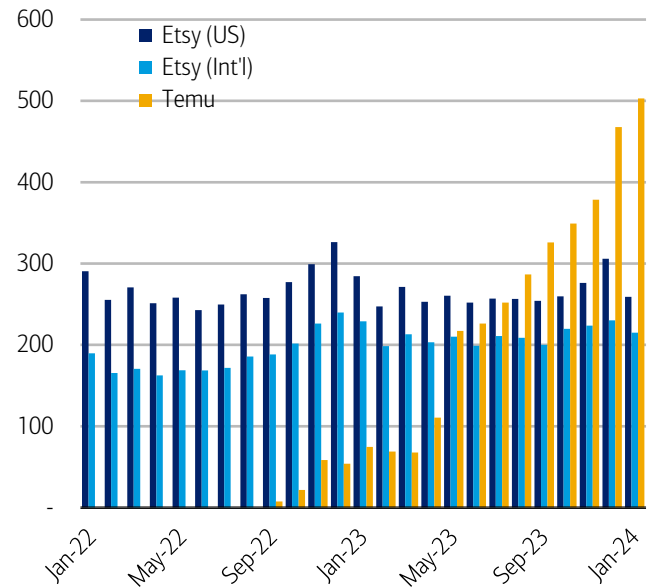


Source: SimilarWeb

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Exhibit 18: Etsy vs. Temu web traffic (mn)

Temu now exceeds 500mn visits per month



Source: SimilarWeb

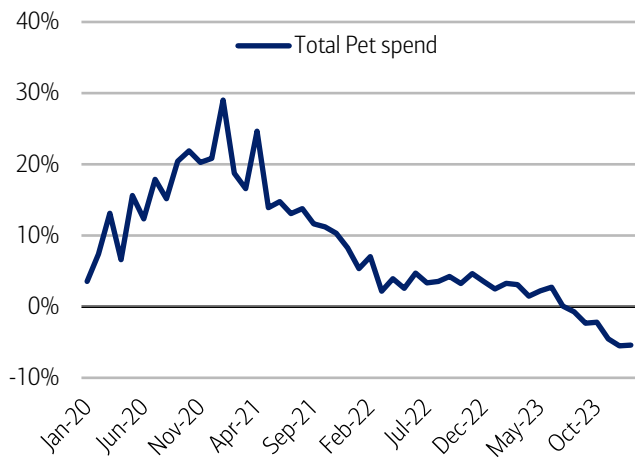
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Pet category spend and web trends

For January, pet spending fell to -5.4% YoY (10bp accel from December), continuing a 6-month negative trend, according to BAC aggregated credit and debit card data. For F4Q (January end), pet spend declined 5.1% YoY (vs. -1.7% in 3Q) as trade downs and low adoption rates continue to pressure the industry.

Exhibit 19: Monthly pet spend, YoY% change according to BAC aggregated credit and debit card data

YoY pet retail spend in the US is declining

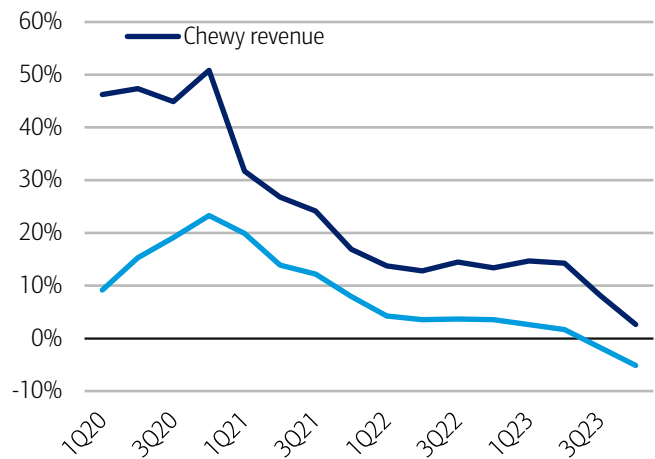


Source: BAC Internal data

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Exhibit 20: Chewy revenue vs. quarterly BAC card data at pet retailers (YoY%)

We project revenue to grow 3% YoY in 4Q23E



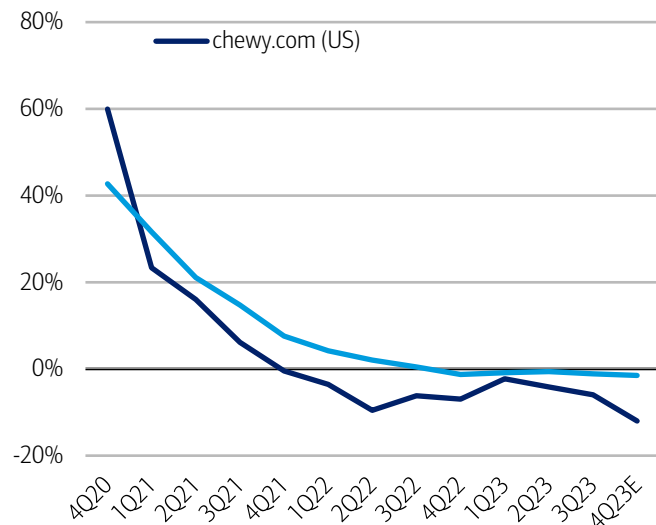
Source: BAC internal data, company reports, BofA Global Research

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Chewy US web traffic decreased 14.9% YoY in January, a 70bp deceleration from December. Pet adoption also remains depressed, according to Similarweb traffic on Petfinder, which declined 20.4% YoY vs. -11.7% in December. For 4Q, we project active customers to contract to 20.1mn (170k sequentially loss).

Exhibit 21: Chewy web traffic vs. active customers (YoY%)

Weaker web traffic could be an indicator of a continued decline in customers

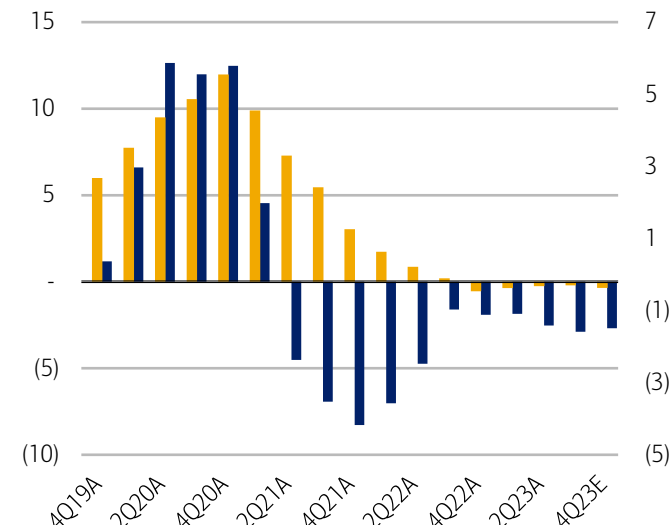


Source: SimilarWeb, company reports, BofA Global Research

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Exhibit 22: Chewy customer count vs. Petfinder web traffic (YoY)

Weak adoption trends could be impacting Chewy customer growth



Source: SimilarWeb, company reports, BofA Global Research

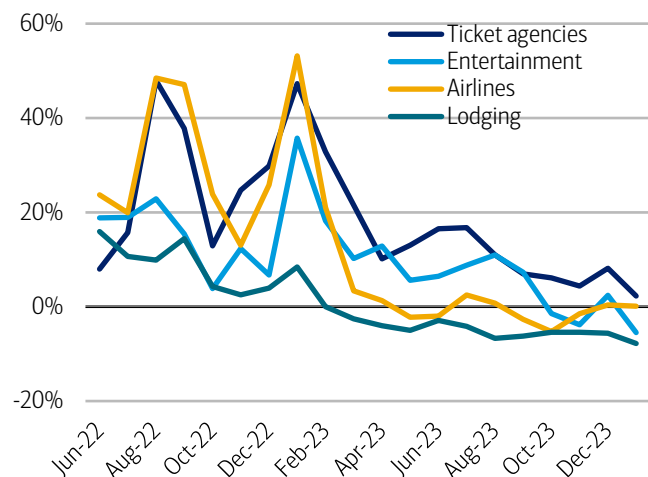
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Ticketing category spend and web trends

Spend on ticketing agencies grew 2.3% YoY in Jan, (5.9ppt decel), outpacing entertainment (-5.5%) and leisure categories like airlines (+0.1%) and lodging (-7.8%). For Vivid Seats, we project 24% YoY marketplace GOV growth in 4Q, supported by solid organic growth and recent acquisitions of Wavedash and Vegas.com.

Exhibit 23: Monthly entertainment vs. travel spending growth, YoY % change according to BAC aggregated credit and debit card data

Ticketing is trending better than travel and other entertainment

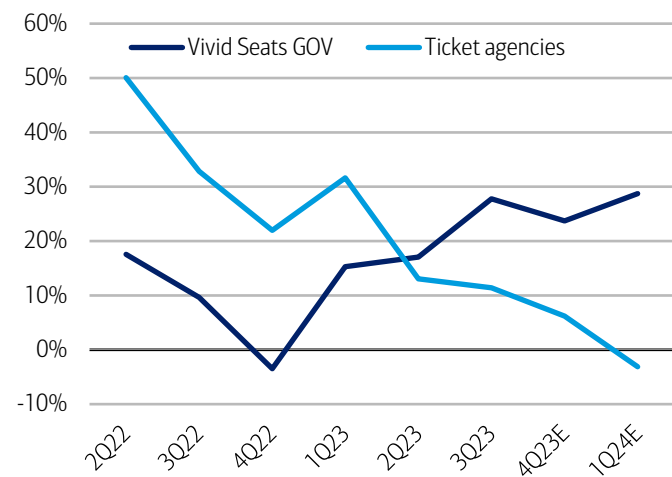


Source: BAC internal data

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Exhibit 24: Quarterly ticket agency spending according to BAC aggregated credit and debit card data vs. Vivid GOV* (YoY %)

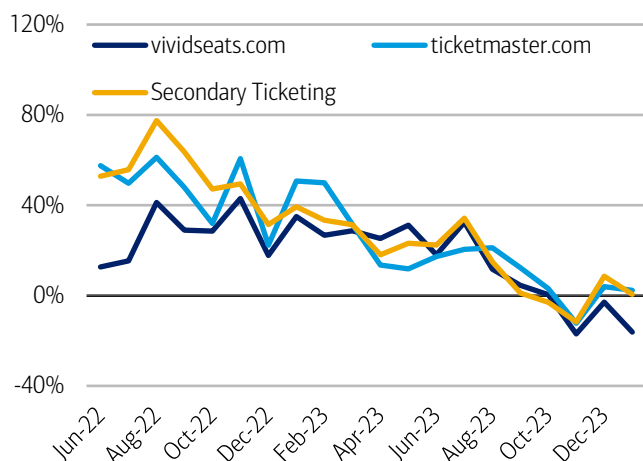
We forecast Vivid GOV trends to significantly outperform industry sales

Source: BAC internal data, company reports, BofA Global Research | *1Q24 data through January
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Similarweb data indicates that Vivid Seats web traffic decelerated 13ppts to -16.2% YoY in January. Web traffic for secondary ticketing sites also decelerated, by a more modest 8ppts to 0.5% YoY.

Exhibit 25: Ticketing web traffic (YoY %)

Traffic to secondary ticketing sites is outpacing traffic to primary ticketing

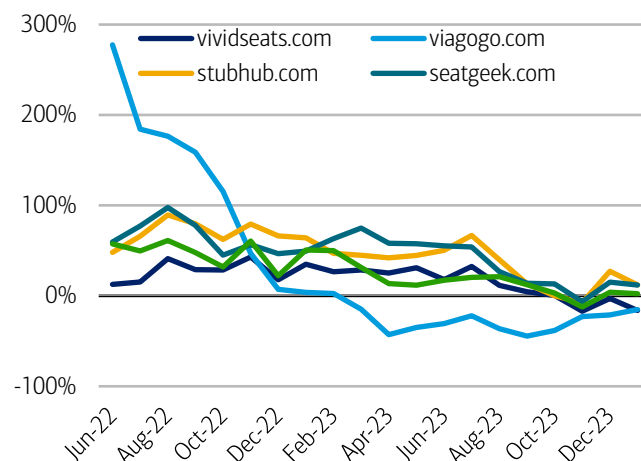


Source: SimilarWeb

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Exhibit 26: Ticketing web traffic (YoY %)

Ticketing web traffic is steadily decelerating



Source: SimilarWeb

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Exhibit 27: Stocks mentioned

Prices and ratings for stocks mentioned in this report

BofA Ticker	Bloomberg ticker	Company name	Price	Rating
BYON	BYON US	Beyond Inc	US\$ 23.5	C-2-9
CHWY	CHWY US	Chewy	US\$ 16.58	C-3-9
ETSY	ETSY US	Etsy, Inc.	US\$ 74.49	C-2-9
SEAT	SEAT US	Vivid Seats	US\$ 5.53	C-1-9
RH	RH US	RH	US\$ 256.86	C-1-9
W	W US	Wayfair	US\$ 51.59	C-1-9

Source: BofA Global Research

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Disclaimer

Selected Bank of America ("BAC") transaction data are used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the data October provide directional and/or predictive value. The data used are not comprehensive; they are based on aggregated and anonymized selections of BAC data and October reflect a degree of selection bias and limitations on the data available.

Methodology explained

Readers should be aware that although the BAC datasets utilized in our analysis represent a significant number of data points, they nevertheless present a degree of selection bias, including but not limited to income levels and geographies. In addition, the data is limited to debit and credit cards and does not include other payment methods such as cash or checks.

Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data October also be classified by other proprietary methods not using MCCs.

BAC data used in this report include spending from active US households (HHs) only. Spending from corporate cards are excluded.

Our methodology for calculating the growth rates for daily data: we calculate the %y/y growth rate and the 4-year % change by matching calendar days (Jan 1 2023 is matched to Jan 1 2022, and Jan 1, 2019, respectively). The % change is calculated based on the 7-day moving average of spending levels.

Unless otherwise noted, the monthly subsector data are adjusted to control for seasonality and other factors.

Price objective basis & risk

Beyond Inc (BYON)

Our \$27 PO is based on 14x 2025E EV/EBITDA, which compares to a e-commerce median of approx. 15x. We believe that a lower multiple is justified given growth and margins that are below the e-commerce group average.

Downside risks to our PO are that secular tailwinds may fade with slower growth in home furnishings sales, lower than expected gains from the Bed Bath & Beyond acquisition, a greater focus on value and promotions vs. Wayfair, which limit the pace of margin expansion near term, significantly smaller logistical and distribution scale, customer base, and supplier network versus Wayfair, which are competitive disadvantages.

Upside risks to our PO are greater-than-expected home furnishings industry growth in the US, larger than expected gains from Bed Bath & Beyond, a continued shift of offline sales to online retailers, and upside from company-specific initiatives to improve customer count, order frequency, and average order value.

Chewy Inc (CHWY)

Our PO of \$17 is based on 0.5x 2025E EV/Sales, discount to our eCommerce and Pet Specialty comp group at 1.1x. We believe a discounted is warranted given lower forecast revenue growth to peers and significantly lower margins.

Upside risks: 1) room for long-term margin expansion driven by adjacent services, advertising, shifting product mix, and building out automated fulfillment centers 2) Chewy's Autoship driving durable and higher-growth sales and 3) expansion of adjacent service such as private brands, pharmacy, and insurance increasing NSPAC headroom, with mgmt. noting NSPAC lift of \$200-\$300/yr by adding pharmaceuticals.

Downside risks: 1) pet spend growth has dramatically slowed on a weak macro and low pet adoption rates which we expect to pressure Chewy growth through 2024, 2) Chewy's expansion into Canada is a distraction from margin improvement and is may not be a material revenue given a much smaller pet market and 3) moderating inflation and promotions decelerating pricing gains of the past 18 months.

Etsy, Inc. (ETSY)

Our \$90 price objective is based on 14x 2025E EV/EBITDA. This is a discount to Etsy's 5-year average of 25x (ranging from 11x to 50x). We believe a discount is warranted given lower gross merchandise sales and total revenue growth relative to Etsy's historic average and less potential upside for EBITDA margins. We believe that Etsy should trade at a slight discount to overall eCommerce and marketplaces due to lower revenue growth, offset partially by higher margins and competitive barriers.

Upside risks to our PO are higher-than-expected order frequency and average order value due to improvements in search functionality, greater than expected shares gains across underpenetrated customer demographics, regions, and products and increase take



rates from new services and higher fees.

Downside risks to our PO are that weakness in discretionary spending or a recession would likely have an outsized impact on the discretionary products sold on Etsy's marketplaces, continued pressure on GMS growth from lapping tough-COVID related comparisons over the next several quarters and softer-than-anticipated performance from non-Etsy marketplaces.

RH (RH)

Our price objective on RH is \$360, which is based on 15x 2025E P/E. Our valuation is below the average multiple of 17x on lower margins relative to the past five years but several large and long-term revenue opportunities that could deliver upside.

The upside risks to our price objective are continued upside potential from RH's gallery conversion strategy, international growth, operating leverage on sales growth, and supply-chain cost reductions and greater-than-expected share repurchases.

Downside risks to our price objective are weakness in discretionary spending or a recession, which would likely have an outsized impact on RH's luxury brand as well as a slower than expected recovery in luxury home sales.

Vivid Seats (SEAT)

Our \$10.50 price objective is based on 10x our 2025E EV/EBITDA. This is below Vivid's historical average and a discount to a median of 13x for comparable entertainment and marketplace companies. We believe a discount to comps is warranted given lower revenue growth, lower EBITDA margins and a smaller total addressable market. Our 12x EV/EBITDA multiple also represents a discount relative to expected growth (we forecast 21% compounded EBITDA growth from 2023-26), which we also believe is warranted given high industry competition, the inclusion of acquisitions in 2024 and uncertainty over normalized growth through 2024 post a release of pent-up COVID demand.

Upside risks to our PO are: higher than expected ticketing industry growth, a reduction in elevated competition, higher-than-expected adoption of Vivid's loyalty program and Skybox Drive system and increased regulation, particularly ticket price transparency.

Downside risks to our PO are: a pullback in ticketing and general entertainment spend post two years of COVID catch-up demand, increased marketing spend or lower pricing from competitors, a reduction in concert events, an increase in exclusive ticket distribution deals from competitors and lower-than-expected adoption of Vivid's loyalty program and high private equity and SPAC sponsor ownership.

Wayfair (W)

Our PO of \$85 is based on 0.9x 2025E EV/sales, which is below the historical average multiple of approx. 1x. We believe this is warranted given a significant improvement in EBITDA and a return to revenue YoY growth, though below prior periods of expansion. If Wayfair were to achieve its target of mid-single digit EBITDA margins over the next few years, this would likely drive additional multiple expansion in our view.

Upside risks are 1) a larger-than-expected acceleration in sales post tough COVID compares in 2022, 2) better inventory availability as supply chain disruptions eases, 3) higher-than-forecast online growth for the industry as a whole, 4) stronger growth from newer initiatives including Wayfair Professional and, 5) EBITDA margin upside from COGS efficiencies, OPEX reductions and fixed cost leverage.

Downside risks are 1) High industry competition which could drive higher than expected investment in marketing or promotions, 2) brand complexity (five brands), 3) weaker than

expected international segment performance, and 4) A softer than anticipated recovery in US furnishings in 2024/25.

Analyst Certification

I, Curtis Nagle, 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.

US - Internet Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Alphabet	GOOGL	GOOGL US	Justin Post
	Alphabet	GOOG	GOOG US	Justin Post
	Amazon.com	AMZN	AMZN US	Justin Post
	AppLovin	APP	APP US	Omar Dessouky, CFA
	DoorDash	DASH	DASH US	Michael McGovern
	DoubleVerify Holdings, Inc.	DV	DV US	Omar Dessouky, CFA
	Electronic Arts	EA	EA US	Omar Dessouky, CFA
	Expedia	EXPE	EXPE US	Justin Post
	Integral Ad Science Holding Corp.	IAS	IAS US	Omar Dessouky, CFA
	LegalZoom	LZ	LZ US	Michael McGovern
	Match Group	MTCH	MTCH US	Curtis Nagle, CFA
	Meta Platforms Inc	META	META US	Justin Post
	Pinterest	PINS	PINS US	Justin Post
	RH	RH	RH US	Curtis Nagle, CFA
	Roblox Corp. Class A	RBLX	RBLX US	Omar Dessouky, CFA
	Squarespace, Inc.	SQSP	SQSP US	Michael McGovern
	Uber	UBER	UBER US	Justin Post
	Udemy Inc	UDMY	UDMY US	Curtis Nagle, CFA
	Vivid Seats	SEAT	SEAT US	Curtis Nagle, CFA
	Wayfair	W	W US	Curtis Nagle, CFA
	Wix.com	WIX	WIX US	Michael McGovern
NEUTRAL				
	ACV Auctions	ACVA	ACVA US	Curtis Nagle, CFA
	Airbnb	ABNB	ABNB US	Justin Post
	Beyond Inc	BYON	BYON US	Curtis Nagle, CFA
	Booking Holdings Inc	BKNG	BKNG US	Justin Post
	Bumble	BMBL	BMBL US	Curtis Nagle, CFA
	Digital Turbine, Inc	APPS	APPS US	Omar Dessouky, CFA
	Duolingo	DUOL	DUOL US	Curtis Nagle, CFA
	eBay	EBAY	EBAY US	Justin Post
	Etsy, Inc.	ETSY	ETSY US	Curtis Nagle, CFA
	Instacart	CART	CART US	Justin Post
	Magnite, Inc.	MGNI	MGNI US	Omar Dessouky, CFA
	Snap	SNAP	SNAP US	Justin Post
	Take-Two Interactive	TTWO	TTWO US	Omar Dessouky, CFA
	Zillow	ZG	ZG US	Curtis Nagle, CFA
	Zillow	Z	Z US	Curtis Nagle, CFA
UNDERPERFORM				
	Chewy Inc	CHWY	CHWY US	Curtis Nagle, CFA
	Lyft, Inc.	LYFT	LYFT US	Michael McGovern
	Opendoor Technologies	OPEN	OPEN US	Curtis Nagle, CFA
	Peloton	PTON	PTON US	Curtis Nagle, CFA
	Playtika	PLTK	PLTK US	Omar Dessouky, CFA
	Redfin Corp	RDFN	RDFN US	Curtis Nagle, CFA
	Shutterstock	SSTK	SSTK US	Curtis Nagle, CFA

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Equity Investment Rating Distribution: Retailing Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	96	57.83%	Buy	39	40.63%
Hold	32	19.28%	Hold	12	37.50%
Sell	38	22.89%	Sell	18	47.37%

Equity Investment Rating Distribution: Technology Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	215	53.09%	Buy	111	51.63%
Hold	97	23.95%	Hold	45	46.39%
Sell	93	22.96%	Sell	24	25.81%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R2} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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