Machinery, E&C and Waste

# BofA conference takeaways: Waste strikes a confident tone

**Industry Overview**

04 March 2024

Equity
Americas
Machinery, E&C and Waste

**Michael Feniger**
Research Analyst
BofAS
+1 646 855 1923
michael.feniger@bofa.com

**Sherif El-Sabbahy**
Research Analyst
BofAS
sherif.el-sabbahy@bofa.com

**Nandita Nayar** >>
Research Analyst
Merrill Lynch (Canada)
nandita.nayar@bofa.com

**Blake Greenhalgh**
Research Analyst
BofAS
blake.greenhalgh@bofa.com

## Waste: micro level - business models are starting to flex…

Last week, we hosted waste companies at a BofA event (WCN, RSG, GFL: details inside). In prior years, operators kicked off the year contending with a pandemic, tight labor, inflation. What stood out to us in '24? Confidence (visibility) in the model: price vs cost tailwind, building blocks for higher margins, upward bias to recycled commodities (BofA's George Staphos panel), record capex ('24 +11%) as sustainability (recycling, landfill renewables) is an EPS driver. Momentum is occurring with little help from the economy – roll off pulls remain stuck in neutral since Q122 – yet that underscores the power in the model.

## …Price vs cost tailwinds, CPI debate, M&A runway

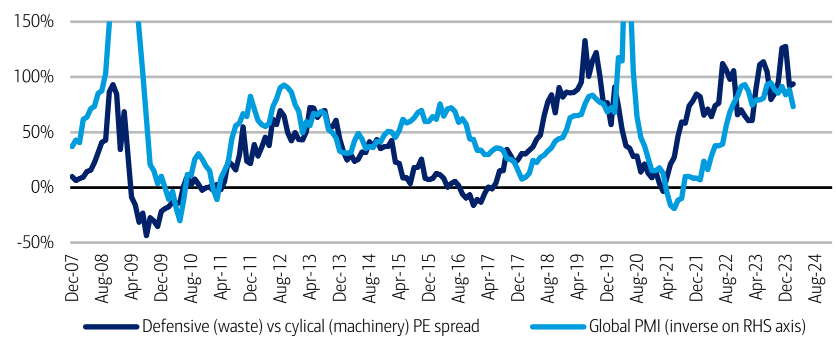
i) Book of business tied to CPI contracts is on a 12 month look back, providing a tailwind in '24 (some cases 1H25) as costs abate, ii) we did not sense a big concern on downside risks to price vs cost spread in '25/26 as CPI rolls over, iii) some firms not ready to guide structurally higher price vs cost spread (beyond '24) yet indications are positive, iv) some firms more positive on M&A backdrop in 2024 vs others post two years of heavy M&A.

## Rotation risk is real but not all waste is the same now

Outside of a change in legislative policy (RNG), the risk for the space is more valuation related (exhibit 1: elevated defensive premium vs cyclicals). While waste is typically viewed as a basket ('just own any garbage stock, it is all the same trade'), we see bifurcation across companies: i) Buy-rated RSG: guiding FCF growth of +7% in '24 (highest in sector), ES a new vertical, ii) Buy-WCN: recent M&A (Arrowhead, Secure) off to a positive start - opens up runway to stay within WCN's core/compound, iii) Neutral-rated GFL: CPI book, M&A, GFL Infrastructure optionality suggests more low hanging fruit.

MRF = Materials Recycling Facility, OCC = Old Corrugated Containers, IIJA = infrastructure Investment and Jobs Act, ES = Environmental Services, PET = Polyethylene Terephthalate, HDPE = High-density Polyethylene, PP = Polypropylene Plastic, RNG = Renewable Natural Gas, E&P = Exploration & Production, EPR = Extended Producer Responsibility, HSD = High single digits, MSD = Mid single digits, LSD = Low single digits, RSG = Republic Services, WCN = Waste Connections, WM= Waste Management, GFL = GFL Environmental, CPI = Consumer price index

**Exhibit 1: Defensive (Waste) vs Cyclical (Machinery) valuation spread vs PMI (inverse)**
Spread remains at nearly ~100% premium, typically when PMI in contraction/negative territory




**Source:** Datastream, Defensive (waste = average WM, RSG), cyclicals (machinery = average CAT, DE, PCAR, CMI)
BofA GLOBAL RESEARCH



Timestamp: 04 March 2024 07:15AM EST

# Conference Takeaways

Last week, we hosted RSG, WCN, and GFL from our waste coverage at the 2024 Global BofA Agriculture & Materials Conference. Below are some key takeaways from our fireside chats and investor meetings.

## Republic Services

*Note that the following gives our interpretation of the key points highlighted in our fireside chat and investor meetings. These conversations featured Brian DelGhiaccio (EVP, Chief Financial Officer) and Aaron Evans (VP of Investor Relations).*

- **Algorithm:** RSG notes that organic volume growth grows in-line with population growth (i.e., 50-100bps over time) given that RSG's waste services are an essential service. Pricing in a normal inflationary backdrop would be in the ~4% range (i.e., typically maintains a 100bps spread above CPI), with the combination of price plus volume in the MSD range. RSG added that they have a greater appetite for acquisitions which typically contributes 1-2 points to top line growth, leading to strong MSD to touching low double digit revenue growth in some years. With some of their initiatives such as digital and productivity improvements, RSG expects 30-50bps of contribution to EBITDA margin expansion per year – supporting HSD to low DD EBITDA and FCF growth in some years.

- **Pricing:** RSG's book of business is split between open market (55%) and restricted contracts (45%). Within the 45%, a quarter of the restricted book is linked to headline CPI (used to be higher in the past). Operating a waste company leads to relatively higher cost of capital as its very labor and capital intensive. Hence, RSG felt that headline CPI was not able to capture their internal cost of inflation (particularly on the residential side during periods such as 2009-2019 of negative to low single digit CPI). Hence, in 2016-2017, RSG decided to move away from headline CPI to alterative indexes such as the garbage trash index and the water sewer trash index (25% of the restricted book today) that were more reflective of their cost structure. Additionally, RSG has also moved some contracts to a fixed rate increase of ~4% (50% of the restricted book today). Over time, RSG plans to get headline CPI linked contracts down to a smaller portion of the mix.

- **Environmental Services (ES):** RSG breaks down its solid waste business into verticals which has a $1.5bn manufacturing vertical and noted that they decided to enter this space due to increasing demand from its customers to provide hazardous waste management along with its solid waste services. RSG entered the hazardous waste business in 2015 through the acquisition of Tervita Corp which largely serviced upstream oil and gas waste and gradually got into the downstream side by providing remediation services, in-plant services, etc. RSG also later acquired additional hazardous waste management companies that serviced utilities, refineries, power plants, etc. and continued to build its cross-sell opportunities between its manufacturing vertical and broader environmental services vertical. In 2022, RSG acquired US Ecology to expand its disposal and collection assets. RSG believes hazardous waste industry is similar to where the solid waste industry was 15-20 years ago with regards to concentration on the disposal side, highly fragmented collection, and room to improve price. Similar to the solid waste side, it expects pricing and M&A in the space to be positively influenced as operators realize the value of taking these type of waste streams.

- **Margins:** RSG expects 30-40bps of margin expansion to achieve 30.0%-30.1% margins in 2024 after overcoming 30bps or margin headwind from rollover contribution from acquisitions. The underlying business is expected to expand by 60bps and RSG noted that it does not include improvements in commodity prices and repair and maintenance costs. Despite pricing stepping down to 6.5-7% on related revenue from 7.3% in 2023, RSG expects to maintain its 100bps spread over costs. More specifically, RSG expects its internal cost of inflation to range within the 5.5-6% which mostly includes labor (~4%) and maintenance and repair (high single digits).

- **ES margins:** While the Environmental Services business is expected to deliver 30-50bps on a normal run rate basis, RSG expects 100bps+ of margin expansion from ES in 2024 given the ongoing benefit of cross selling and pricing opportunities. As RSG continues to integrate ES services, it expects another 2-3 years of above average margin growth (~75-100bps) across this business line. In 4Q23, RSG reported that Environmental Services margins were up 250bps YoY on flat-to-down volumes. The company attributed the margin expansion to more appropriately pricing all aspects of their ES services given the nature of the waste stream and the airspace it occupies at their hazardous landfills. Over time, RSG expects ES margins to be in-line or even higher than the company average. This is largely because there is limited number of hazardous landfills with a total of 18 landfills in both the US and Canada, of which RSG already owns five. Moreover, volumes on the industrial waste side are expected to remain strong over the coming years due to the increase in reshoring activities and IIJA-related projects.

- **Recycling investments:** When plastics are recycled today, they are often downcycled into carpets, textiles, or construction pipes, which have few options for further recycling. Through integrated plastics recycling facilities (Polymer Centers and Blue Polymers), RSG noted that it would be the first US company to directly help bridge the gap between curbside collection of recycled material to production and delivery of a reliable supply of domestically sourced recycled plastics for use in food-grade, non-food grade, and other consumer packaging applications.

- **Polymer Centers:** Polymer Centers will take in mixed-plastic bales from MRFs where PET (water bottles, clear soda bottles, juice jugs, etc.) would then be shredded and washed to create hot washed PET flakes. These flakes would then be delivered to the food-grade marketplace to enable bottle-to-bottle circularity. Additionally, polyolefins like HDPE (milk jugs, detergent bottles, shampoo bottles, etc.) and PP (yogurt cups, sour cream containers, etc.) that are collected in multicolored bundles in the industry today, would be sorted into color-specific bales at these Polymer Centers.

- **Blue Polymers:** Blue Polymer Centers will essentially utilize the recycled polyolefins (HDPE and PP) from Polymer Centers to create custom-blended materials for customers. More specifically, the color-sorted HDPE and PP collected from Polymer Centers would be further recycled to create high-quality custom blended pellets (i.e., 50-50 or 75-25 recycled and virgin plastic blends) as per individual customer requirements for use in both food-grade and non-food-grade sustainable applications.

- **M&A:** While 2022 and 2023 were relatively outsized years for M&A activity for RSG, the company anticipates spending ~$500mn in investments on acquisitions in 2024 with most of the deals expected to be in the solid waste and recycling space. RSG noted that its 2024 guide does not include the ~500mn in M&A, but does include the rollover impact of deals closed in 2023 (i.e., ~200bps). RSG also noted that the acquisition of GFL assets in Colorado and New Mexico helped open up a lot of additional white space for the company around the Denver region.

- **FCF:** RSG's FY23 FCF came in above expectations and is guiding to another year of FCF growth in 2024 (while most peers are seeing a relative slowdown). Normalizing for the impact of bonus depreciation expiring ($25mn) and cash settlement from IRS ($20mn) for a 2017 tax matter, creating a $45mn YoY headwind on cash taxes –

RSG noted that their FCF growth in 2024 would have been 9.5% YoY (in-line with its EBITDA guide).

## Waste Connections

*Note that the following gives our interpretation of the key points highlighted in our investor meetings. These conversations featured Mary Ann Whitney (EVP and Chief Financial Officer) and Joe Box (Director of Finance).*

- **Algorithm:** WCN targets and manages a price spread of 150bps above CPI. Specifically, if CPI is around the 3.5% range, WCN would expect organic growth of ~5-6% (i.e., price ~5-6%, volumes -/+1%). This price led margin expansion should contribute to 7-8% EBITDA growth, along with a few points of M&A (~2%), leverage and share repurchases drives FCF/share growth at least in the low double digits range (~12%).

- **Business Model:** Overall, WCN operates in 44 states in the United States and 6 provinces in Canada. The business is differentiated by the markets they focus on. WCN stated that exclusive markets account for 40% of its solid waste business with the remaining 60% in competitive markets (rural and secondary markets with an 85-90% retention rate). In exclusive markets, pricing is restricted to CPI (with a 9-12 month lag), while in competitive markets WCN can price around ~200-250bps above CPI – leading to an overall blended average price spread of 150bps above CPI in its book of business.

- **Revenue Mix:** WCN highlighted that 70% of its revenue comes from its collection business (i.e., hauling - commercial, residential, and roll off). Roll off is the only on demand service where they are based on weight in container. Around 90% of collection revenue is paid based on the frequency or size of container regardless of the amount of waste in the container. Only the remaining 10% of collection revenues that comes from construction can be exposed to economic cycles. The other business line includes third party tons at landfills (can be at 60-70% incremental margin) which accounts for ~13% of total revenues. Overall, disposal and transfer accounts for ~20% of total revenues, with the remaining 10% from recycling, E&P, and RNG business lines.

- **Price over volume strategy:** In 2024, WCN expects price plus volume growth of +4.5-5.5% (with pricing of 6-7%). WCN noted that it continues to focus on price over volumes and has intentionally been shedding lower quality contracts. WCN stated that it is not uncommon to see some shedding after completing acquisitions (in particular, WCN completed ~$1bn in acquisitions over the past three years). For example, WCN is still shedding some low margin contracts from their Progressive acquisition which they completed in 2016. WCN also added that they have not received any help from the broader macro environment with roll off pulls and 3rd party landfill tons remaining stagnant since 1Q22 (I.e., oscillating between -/+1%). As a result, volumes are expected to likely remain low over the coming years as WCN continues to shed unprofitable volumes.

- **Pathway to achieving 34% margins:** WCN expressed confidence on its visibility to achieve EBITDA margin of 34%, excluding accretive drivers like RNG and M&A. For example, WCN reported 32.5% margin in 3Q23: i) 70bps headwind from depressed commodity values, ii) 45bps hit to margin from risk related expense – as turnover improves (a lead indicator), that eases, ii) price led growth drives 40-60bps (typically 30-40bps yet price vs cost expands in 2024), iii) 100bps from cost of operations – attacking lower turnover over 2024 and 2025. For example, turnover is improving from 34% to 27% today and targeting to normal (20%). This does not factor in margin accretive contributions from RNG (likely in 2H25 and 2026) and recent Secure E&P acquisition (adds ~50bps of margin). Hence, WCN stated that there are multiple pathways to 34% (or higher) margins as it moves through 2024 and enters 2025 and beyond.

- **2024 margins:** WCN anticipates 120bps of margin expansion to achieve 32.7% margins in 2024, of which 60bps is expected to come from the underlying business, 40bps from M&A and 10-20bps from commodities (which could see some upside as OCC prices as expected to improve through FY24, according to BofA's Paper and Packaging Team).

- **M&A:** WCN highlighted that their M&A pipeline remains robust. WCN expects 4% (~$325mn) rollover contribution from M&A (including Secure Energy), yet it expects to have an outsized year of acquisition activity in 2024. This is a contrast to peers that have guided to a relatively slower M&A year in 2024. WCN's acquisition of Arrowhead includes a 1,400 acre rail-served MSW landfill in Alabama that currently receives ~3,500 tons a day (with a runway of taking in 15,000 tons per day).

- **Arrowhead acquisition:** This acquisition has improved WCN's optionality in the Northeast market given that Arrowhead is the largest integrated waste-to-rail disposal network in the region served by multiple transload facilities in Connecticut, Massachusetts, New Jersey, and Florida. According to WCN, Arrowhead automatically opens up several collection opportunities thereby allowing WCN to integrate markets it previously had not looked into (due to the lack of disposal assets), as well as numerous other M&A opportunities within and around those markets given its access by rail. Overall, WCN highlighted that the Arrowhead acquisition increased its addressable market by ~$0.5bn and provides additional optionality to effectively internalize capacity between its landfills across the Northeast (i.e., free up some capacity and potentially charge a higher price/ton at existing landfills in the Northeast by transferring some landfill tons to Alabama by rail).

- **Secure acquisition:** In 2012, WCN acquired the largest E&P disposal company in the US called R360 (~$130mn in EBITDA) which had 85% of its business hinged to drilling activity. As crude prices moved up, rig activity increased leading to the drilling of more wells. As a result, WCN was able to grow R360's $130mn in EBITDA to ~$200mn. However, when crude prices nosedived from $90 top $30 a few years back, rig activity dropped 85% and WCN had to take a non-cash impairment to the business. Overall, WCN stated that this business has performed well as it's capex is ~sub-10% with 50-60% EBITDA margins leading to high EBITDA minus capex relative to solid waste. The Secure Energy acquisition has a portfolio of 30 waste treatment and disposal facilities in western Canada and is almost identical in size (i.e., 220-250mn in revenue, 50-60% EBITDA margins, sub-10% capex). However, 85% of the business is related to production and not hinged on drilling, thereby essentially de-risking the R360 business.

- **FCF:** WCN highlighted that certain outsized outlays such as Chiquita landfill costs ($75mn) and RNG-related capex ($150mn) are expected to weigh on FCF growth in 2024. However, after normalizing for these two line-items, WCN expects to achieve ~48.5% FCF to EBITDA conversion (similar to 2023). In 2025, the Chiquita remediation costs are expected to decline to $40mn and RNG-capex to $10mn, which would further support north of 10% FCF growth – with additional benefits from RNG facilities (expected to come online by late-2024 and more materially into 2025 and beyond).

## GFL Environmental

*Note that the following gives our interpretation of the key points highlighted in our fireside chat and investor meetings. These conversations featured Patrick Dovigi (Founder and CEO) and Luke Pelosi (EVP and Chief Financial Officer).*

- **Background:** GFL was founded by Patrick Dovigi back in 2006/2007 in Toronto, Canada, and has since expanded into the US in 2016. GFL expects to generate $8bn in revenues in 2024 with 65-70% from the US and 30% from Canada. The company operates in 10 Canadian provinces and 23 US states (largely in the Southeast from Texas up to the Midwest to Michigan in the East).

- **Algorithm:** GFL is a relatively younger waste operator when compared to its more established peers. Typically, the waste industry delivers MSD top line and HSD EBITDA and FCF, while has GFL been doing relatively better. GFL stated that this is largely because they are in the continued infancy stages of their pricing discovery and cost rationalization measures (surcharges, technology implementation, etc.) that drives relatively outsized margin expansion within the existing business. M&A is also part of GFL's DNA, and the company has completed ~275 acquisitions since its inception. The relative contribution to GFL given its size today has also supported incremental level of growth vs more established peers.

- **Low hanging fruit:** In addition to the price vs cost spread, GFL also sees various other factors such as compressed natural gas (CNG) fleets, fuel surcharges (WM FY23 fuel expense of 2.4% of revenue vs GFL 5-5.5%), pricing data and analytics, automated fleets (GFL still has upwards of 800-900 manual trucks), opportunities across RNG and EPR, route optimization (already implemented by other waste peers) contributing to outsized margin expansion during the years ahead.

- **Price vs cost:** GFL noted that costs (labor, equipment, etc.) have changed substantially in the business over the past 10-15 years, thereby allowing for a structurally higher price dynamic. Solid waste bills represent 0.5% of a customer's P&L. On the residential line, smaller independent players used to create certain roadblocks for price increases in the past, however, their prices similarly increased given the relatively higher inflationary backdrop in recent years. Additionally, GFL plans to move away from CPI-linked contracts (currently 20% book of business) to more sewer water index contracts in the United States, with a plan of lowering it by ~50% over the next 2 years. In Canada, GFL plans to implement fixed-price contracts (i.e., 3.5-4% price – includes fuel adjustment) for its residential book of business. While open market pricing is expected to remain in the HSD range on a sustainable basis. Overall, GFL expects core price of 6-6.5% in 2024, and expects pricing to remain north of 5% on a go forward basis which should support outsized margin expansion with ~150bps spread (vs 85-90bps in the past). With regards to costs, GFL noted that labor and R&M costs have relatively declined, however cost of risk (insurance policies, benefits, etc. – 40mn headwind YoY) has continued to increase. Overall, GFL expects internal cost of inflation in the high-4s range.

- **Canada vs US recycling market:** GFL operates in all 10 provinces in Canada while other major players typically operate in ~5 provinces. The major shift in Canada has been moving of curb side recycling from the cost of municipalities to the cost of the actual producers from now till 2029 – which has created a significant opportunity for GFL and other Canadian players that have capital deployed in sustainability-type initiatives. As a result, GFL's recycling customer has now shifted to brand owners (instead of municipalities) thereby allowing GFL to re-price its processing and collection services higher to meet the new legislative diversion targets.

- **Leverage and M&A:** GFL's baseline capex is expected to be between $850-900mn in 2024, with an additional $900mn to be deployed on M&A and EPR and RNG related projects (i.e., $600-650mn on M&A, $250-$200mn on EPR and RNG - largely around EPR contracts in Canada). Over half of the amount deployed on M&A (i.e., $600-$650mn) this year is expected to go towards a medium-sized solid waste acquisition in the Southeast, with the remaining focused on more tuck-in size acquisitions. GFL's leverage currently sits at 4.14x and the company plans to delever its portfolio to 3.65-3.85x by year end in 2024 (mid-3s ex-$900mn in growth capital opportunities). GFL plans to delever to the 3-handle range over the coming years and emphasized that it subsequently intends to become investment grade – which GFL noted should then lower their cost of capital and provide incremental FCF to reinvest into share buybacks and dividends.

- **GFL infrastructure:** GFL cited that GFL Infrastructure is ~$200mn EBITDA business today with a clear path to grow it well north of $300mn. According to GFL, they gave up 200-250bps of margin on the overall business as contract durations in the GFL Infrastructure business are longer than waste (i.e., unable to rapidly change prices), which they plan on recovering in 2024. Looking forward into 2025 and 2026, GFL stated that backlog remain strong as Canada also has been spending on infrastructure (i.e., $100bn across infrastructure – 80% on roads and transportation). GFL noted that it owns ~47% of the GFL Infrastructure business today. Once GFL Infrastructure generates around $250-$300mn in EBITDA, GFL plans to either take it public or sell the business to private equity (if its available at the right price).

**Exhibit 2: Stocks mentioned**
Rating and price summary

| BofA Ticker | Bloomberg ticker | Company name | Price | Rating |
|---|---|---|---|---|
| GFL | GFL US | GFL Environmental | US$ 35.53 | B-2-7 |
| RSG | RSG US | Republic Services | US$ 183.64 | A-1-7 |
| WCN | WCN US | Waste Connections | US$ 165.4 | A-1-7 |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

## Price objective basis & risk

### GFL Environmental Inc (GFL)

Our 12-month price objective of C$52 (USD $38.5) is based on a target 2024E EV/EBITDA multiple of 12.5x, a discount to the public national waste operators due to higher leverage & more back end weighted FCF. We believe EV/EBITDA is the most comparable metric due to high debt levels. We rely on comparable company analysis with a group of publicly traded nonhazardous waste operators, all of which are larger and more liquid than GFL. While GFL's growth profile is significantly higher than the national players, the higher leverage ratio and M&A integration are risks.

Upside risks: 1) driving stronger top line growth than the national players over the next 2-3 years, 2) expanding EBITDA margins (ie, driving profitable growth), 3) organically de-leveraging its balance sheet over the cycle via free cash flow generation, 4) higher than expected synergies from acquisitions.

Downside risks: 1) More cyclical waste stream tied to construction, Industrial activity, new project development impact earnings more than expected, 2) struggle to generate free cash flow, limiting ability to de-lever balance sheet organically, 3) struggle to price the business above rising costs, 4) challenges with integrating acquisitions.

### Republic Services (RSG)

Our $205 price objective is based on 15.5x EV/EBITDA for 2024E, near the high end of its historical valuation range and consistent with peer Waste Management. We believe the high end of the range is appropriate as earnings are likely to continue to recover in 2024, waste offers higher visibility than other sectors, pricing backdrop continues to improve, and FCF is likely to remain positive. Relative to history, higher multiple stems from an improving pricing discipline for the waste industry, sustainability initiatives and overall stability in an uncertain, global industrial backdrop, in our view.

Upside risks to our PO are: 1) stronger-than-expected housing data, 2) higher-than expected pricing trends, and 3) more aggressive cash return to shareholders than we currently envision. Downside risks to our PO are: 1) lower-than-expected CPI, 2) environmental liabilities. 3) Mix impact from higher waste generation at the home. 4) continued COVID-19 concerns.

**Waste Connections Inc (WCN)**
Our $174 price objective values WCN on 17.5x 2024e EV/EBITDA, in line with the average of the valuation range the last 7 years (12-21x). Our PO implies 33x Price to FCF in 2024e, at the higher end of the historical range (20-32x), justified by Connection's sector leading profitability and FCF conversion, in our view. Our PO implies nearly a 0.8% dividend yield, in line with its current valuation over the last 12 months. Relative to history, our higher valuation stems from an improving pricing backdrop for the waste industry, more active M&A environment, and ability to improve margins and FCF generation (double digit growth) through the cycle.

Upside risks to our PO are: 1) stronger-than-expected housing data, 2) higher-than expected CPI trends, 3) more aggressive cash return to shareholders than we currently envision, and 4) stronger-than-expected recovery in Exploration and Production (oil and gas) activity.

Downside risks to our PO are: 1) lower-than-expected CPI, 2) environmental liabilities, 3) higher than expected inflationary costs, and 4) execution risk around acquisitions.

## Analyst Certification

I, Michael Feniger, 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.

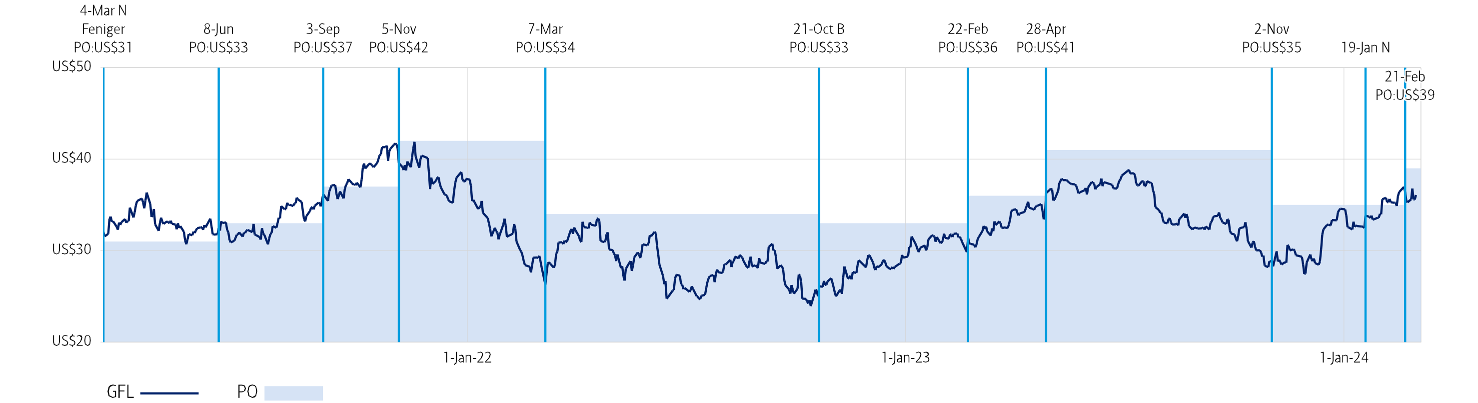
**US - Machinery Coverage Cluster**

| Investment rating | Company | BofA Ticker | Bloomberg symbol | Analyst |
|---|---|---|---|---|
| **BUY** | | | | |
| | AECOM | ACM | ACM US | Michael Feniger |
| | Blue Bird Corp | BLBD | BLBD US | Sherif El-Sabbahy |
| | Caterpillar Inc | CAT | CAT US | Michael Feniger |
| | CNH Industrial NV | CNHI | CNHI US | Michael Feniger |
| | Construction Partners Inc. | ROAD | ROAD US | Michael Feniger |
| | ESAB Corp | ESAB | ESAB US | Sherif El-Sabbahy |
| | Finning International Inc. | YFTT | FTT CN | Sherif El-Sabbahy |
| | H&E Equipment Services Inc | HEES | HEES US | Sherif El-Sabbahy |
| | Knife River Corp | KNF | KNF US | Sherif El-Sabbahy |
| | Republic Services | RSG | RSG US | Michael Feniger |
| | Techtronic Industries Co Ltd | TTNDF | 669 HK | Michael Feniger |
| | Techtronic Industries Co Ltd | TTNDY | TTNDY US | Michael Feniger |
| | United Rentals Inc | URI | URI US | Michael Feniger |
| | Vulcan Materials | VMC | VMC US | Michael Feniger |
| | Waste Connections Inc | WCN | WCN US | Michael Feniger |
| | WillScot Mobile Mini | WSC | WSC US | Sherif El-Sabbahy |
| **NEUTRAL** | | | | |
| | AGCO Corp | AGCO | AGCO US | Michael Feniger |
| | Deere & Co | DE | DE US | Michael Feniger |
| | Fluor | FLR | FLR US | Michael Feniger |
| | GFL Environmental Inc | GFL | GFL US | Michael Feniger |
| | GFL Environmental Inc | YGFL | GFL CN | Michael Feniger |
| | Jacobs Eng. | J | J US | Michael Feniger |
| | Kennametal Inc. | KMT | KMT US | Michael Feniger |
| | Martin Marietta Materials | MLM | MLM US | Michael Feniger |
| | NV5 Global Inc. | NVEE | NVEE US | Michael Feniger |
| | PACCAR Inc | PCAR | PCAR US | Michael Feniger |
| | RB Global, Inc | RBA | RBA US | Michael Feniger |
| | Waste Management | WM | WM US | Michael Feniger |
| **UNDERPERFORM** | | | | |
| | Allison Transmission Holdings Inc. | ALSN | ALSN US | Sherif El-Sabbahy |
| | Casella | CWST | CWST US | Michael Feniger |
| | Cummins Inc | CMI | CMI US | Michael Feniger |
| | Herc Holdings Inc | HRI | HRI US | Sherif El-Sabbahy |
| | IPG Photonics | IPGP | IPGP US | Michael Feniger |
| | Oshkosh Corp. | OSK | OSK US | Michael Feniger |
| | Terex Corp. | TEX | TEX US | Michael Feniger |
| | Timken Company | TKR | TKR US | Michael Feniger |

# Disclosures

## Important Disclosures

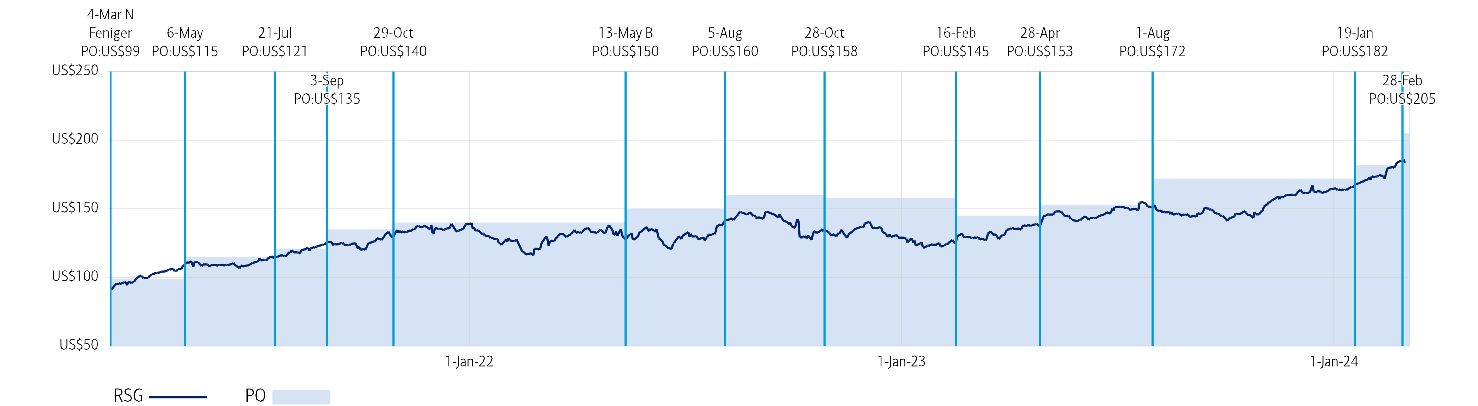
**GFL Environmental (GFL) Price Chart**




B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

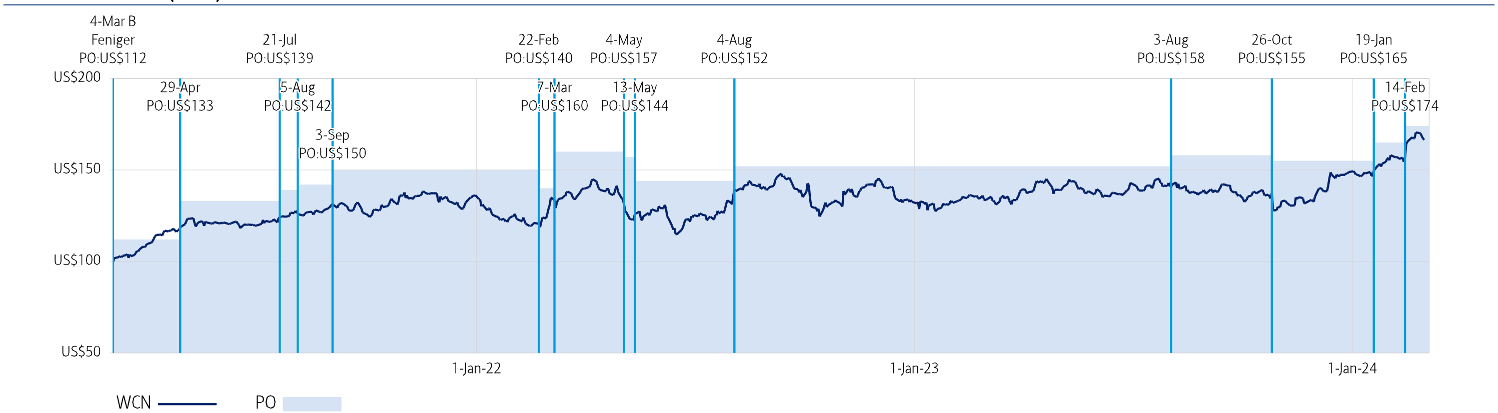
**Republic Services (RSG) Price Chart**




B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

**Waste Connections (WCN) Price Chart**




B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

**Equity Investment Rating Distribution: Engineering & Construction Group (as of 31 Dec 2023)**

| Coverage Universe | Count | Percent | Inv. Banking Relationships [R1] | Count | Percent |
|---|---|---|---|---|---|
| Buy | 9 | 42.86% | Buy | 5 | 55.56% |
| Hold | 7 | 33.33% | Hold | 3 | 42.86% |
| Sell | 5 | 23.81% | Sell | 3 | 60.00% |

**Equity Investment Rating Distribution: Machinery/Diversified Manufacturing Group (as of 31 Dec 2023)**

| Coverage Universe | Count | Percent | Inv. Banking Relationships [R1] | Count | Percent |
|---|---|---|---|---|---|
| Buy | 27 | 42.19% | Buy | 8 | 29.63% |
| Hold | 17 | 26.56% | Hold | 8 | 47.06% |
| Sell | 20 | 31.25% | Sell | 8 | 40.00% |

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

| Coverage Universe | Count | Percent | Inv. Banking Relationships [R1] | Count | Percent |
|---|---|---|---|---|---|
| Buy | 1895 | 53.62% | Buy | 1083 | 57.15% |
| Hold | 832 | 23.54% | Hold | 454 | 54.57% |
| Sell | 807 | 22.84% | Sell | 383 | 47.46% |

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

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

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

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

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

Price Charts for the securities referenced in this research report are available on the Price Charts website, or call 1-800-MERRILL to have them mailed.
BofAS or one of its affiliates acts as a market maker for the equity securities recommended in the report: GFL Environmental, Republic Services, Waste Connections.
BofAS or an affiliate was a manager of a public offering of securities of this issuer within the last 12 months: Republic Services, Waste Connections.
The issuer is or was, within the last 12 months, an investment banking client of BofAS and/or one or more of its affiliates: Republic Services, Waste Connections.
BofAS or an affiliate has received compensation from the issuer for non-investment banking services or products within the past 12 months: GFL Environmental, Republic Services, Waste Connections.
The issuer is or was, within the last 12 months, a non-securities business client of BofAS and/or one or more of its affiliates: GFL Environmental, Republic Services, Waste Connections.
BofAS or an affiliate has received compensation for investment banking services from this issuer within the past 12 months: Republic Services, Waste Connections.
BofAS or an affiliate expects to receive or intends to seek compensation for investment banking services from this issuer or an affiliate of the issuer within the next three months: Republic Services, Waste Connections.
BofAS or one of its affiliates is willing to sell to, or buy from, clients the common equity of the issuer on a principal basis: GFL Environmental, Republic Services, Waste Connections.
The issuer is or was, within the last 12 months, a securities business client (non-investment banking) of BofAS and/or one or more of its affiliates: Republic Services, Waste Connections.
BofA Global Research personnel (including the analyst(s) responsible for this report) receive compensation based upon, among other factors, the overall profitability of Bank of America Corporation, including profits derived from investment banking. The analyst(s) responsible for this report may also receive compensation based upon, among other factors, the overall profitability of the Bank's sales and trading businesses relating to the class of securities or financial instruments for which such analyst is responsible.

## Other Important Disclosures

From time to time research analysts conduct site visits of covered issuers. BofA Global Research policies prohibit research analysts from accepting payment or reimbursement for travel expenses from the issuer for such visits.
Prices are indicative and for information purposes only. Except as otherwise stated in the report, for any recommendation in relation to an equity security, the price referenced is the publicly traded price of the security as of close of business on the day prior to the date of the report or, if the report is published during intraday trading, the price referenced is indicative of the traded price as of the date and time of the report and in relation to a debt security (including equity preferred and CDS), prices are indicative as of the date and time of the report and are from various sources including BofA Securities trading desks.
The date and time of completion of the production of any recommendation in this report shall be the date and time of dissemination of this report as recorded in the report timestamp.

Recipients who are not institutional investors or market professionals should seek the advice of their independent financial advisor before considering information in this report in connection with any investment decision, or for a necessary explanation of its contents.
Officers of BofAS or one or more of its affiliates (other than research analysts) may have a financial interest in securities of the issuer(s) or in related investments.
Refer to BofA Global Research policies relating to conflicts of interest.
**"BofA Securities" includes BofA Securities, Inc. ("BofAS") and its affiliates. Investors should contact their BofA Securities representative or Merrill Global Wealth Management financial advisor if they have questions concerning this report or concerning the appropriateness of any investment idea described herein for such investor. "BofA Securities" is a global brand for BofA Global Research.**
**Information relating to Non-US affiliates of BofA Securities and Distribution of Affiliate Research Reports:**
BofAS and/or Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") may in the future distribute, information of the following non-US affiliates in the US (short name: legal name, regulator): Merrill Lynch (South Africa): Merrill Lynch South Africa (Pty) Ltd., regulated by The Financial Service Board; MLI (UK): Merrill Lynch International, regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA); BofASE (France): BofA Securities Europe SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers (AMF). BofA Securities Europe SA ("BofASE") with registered address at 51, rue La Boétie, 75008 Paris is registered under no 842 602 690 RCS Paris. In accordance with the provisions of French Code Monétaire et Financier (Monetary and Financial Code), BofASE is an établissement de crédit et d'investissement (credit and

investment institution) that is authorised and supervised by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers. BofASE's share capital can be found at www.bofaml.com/BofASEdisclaimer; BofA Europe (Milan): Bank of America Europe Designated Activity Company, Milan Branch, regulated by the Bank of Italy, the European Central Bank (ECB) and the Central Bank of Ireland (CBI); BofA Europe (Frankfurt): Bank of America Europe Designated Activity Company, Frankfurt Branch regulated by BaFin, the ECB and the CBI; BofA Europe (Madrid): Bank of America Europe Designated Activity Company, Sucursal en España, regulated by the Bank of Spain, the ECB and the CBI; Merrill Lynch (Australia): Merrill Lynch Equities (Australia) Limited, regulated by the Australian Securities and Investments Commission; Merrill Lynch (Hong Kong): Merrill Lynch (Asia Pacific) Limited, regulated by the Hong Kong Securities and Futures Commission (HKSFC); Merrill Lynch (Singapore): Merrill Lynch (Singapore) Pte Ltd, regulated by the Monetary Authority of Singapore (MAS); Merrill Lynch (Canada): Merrill Lynch Canada Inc, regulated by the Canadian Investment Regulatory Organization; Merrill Lynch (Mexico): Merrill Lynch Mexico, SA de CV, Casa de Bolsa, regulated by the Comisión Nacional Bancaria y de Valores; Merrill Lynch (Argentina): Merrill Lynch Argentina SA, regulated by Comisión Nacional de Valores; BofAS Japan: BofA Securities Japan Co., Ltd., regulated by the Financial Services Agency; Merrill Lynch (Seoul): Merrill Lynch International, LLC Seoul Branch, regulated by the Financial Supervisory Service; Merrill Lynch (Taiwan): Merrill Lynch Securities (Taiwan) Ltd., regulated by the Securities and Futures Bureau; BofAS India: BofA Securities India Limited, regulated by the Securities and Exchange Board of India (SEBI); Merrill Lynch (Israel): Merrill Lynch Israel Limited, regulated by Israel Securities Authority; Merrill Lynch (DIFC): Merrill Lynch International (DIFC Branch), regulated by the Dubai Financial Services Authority (DFSA); Merrill Lynch (Brazil): Merrill Lynch S.A. Corretora de Títulos e Valores Mobiliários, regulated by Comissão de Valores Mobiliários; Merrill Lynch KSA Company: Merrill Lynch Kingdom of Saudi Arabia Company, regulated by the Capital Market Authority.

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

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

### General Investment Related Disclosures:

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

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

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

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

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

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

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

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

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

### BofA ESGMeter Methodology:

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

Copyright and General Information:



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

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

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

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

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

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

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

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

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