

e.l.f. Beauty

ELF continues to shine; raising estimates and PO on anticipated outperformance

Reiterate Rating: BUY | PO: 190.00 USD | Price: 156.38 USD

ELF set to resume outperformance in calendar 2024

ELF stock increased +160% in 2023, largely due to ELF's momentum in market share gains in color cosmetics, continued expansion of shelf space at major retailers, and exceptional product innovation resonating well with core consumers. We continue to see room for outperformance and the next catalysts for the stock as: 1) further distribution gains, 2) margin-accretive benefits from product innovation, and 3) category/market share expansions in lip/eye/skin. ELF is set to join the S&P MidCap 400 from the S&P SmallCap 600 on 1/23, although we would see any short-term weakness ahead of the inclusion due to the lower AUM index as a particularly good buying opportunity.

Marketing spend on the big game returns after 2023 debut

ELF's unaided brand awareness is currently just 26%, compared to 33% for L'Oreal, 43% for Cover Girl and 52% for Maybelline. ELF continues to lean into traditional advertising to reach new demographics. ELF's 2023 Super Bowl commercial led to a 64% increase in purchase consideration of its power grip primer. ELF is returning in 2024 with a 30-second ad featuring its Halo Glow Liquid Filter, ELF's best-selling product of 2023.

Raising estimates; BofA remains above consensus

We raise our FQ3 sales estimate to +68% from +65% prior and FQ4 to +40% from +35% prior as tracked channel growth has come in ahead of expectations, and we expect untracked channel growth to beat. Our F24 adj. EBITDA estimate moves to \$261m from \$250m prior. ELF has exceeded Street estimates and raised guidance throughout F24, and we remain above consensus on adj. EBITDA in F24 and F25. ELF's long-term outlook calls for a net sales CAGR of +MSD to +HSD, and for its adj. EBITDA CAGR to outpace net sales growth. We anticipate outsized growth in F24/F25 despite difficult comps as ELF continues to introduce mix-accretive innovative products and gains market share with whitespace opportunities in lip, eye, and skincare.

Reiterate Buy rating and raise PO to \$190 from \$160 prior

We reiterate our Buy rating and raise our PO to \$190 (from \$160 prior) on higher estimates. Our DCF analysis implies a 30x CY25e EV/EBITDA multiple. We continue to view ELF as an outlier in our Consumer Staples coverage as the company is still in a high growth phase and continues to diversify its portfolio and customer base.

Estimates (Mar) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	0.84	1.66	3.17	3.69	3.90
GAAP EPS	0.41	1.11	2.33	2.81	2.94
EPS Change (YoY)	18.3%	97.6%	91.0%	16.4%	5.7%
Consensus EPS (Bloomberg)			2.66	3.12	3.86
DPS	0	0	0	0	0
Valuation (Mar)					
P/E	186.2x	94.2x	49.3x	42.4x	40.1x
GAAP P/E	381.4x	140.9x	67.1x	55.7x	53.2x
EV / EBITDA*	112.6x	72.0x	32.2x	24.7x	22.8x
Free Cash Flow Yield*	0.2%	1.2%	0.8%	2.6%	3.2%

* For full definitions of *IQmethod*SM measures, see page 7.

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12647902

Timestamp: 19 January 2024 05:00AM EST

19 January 2024

Equity

Key Changes

(US\$)	Previous	Current
Price Obj.	160.00	190.00
2024E Rev (m)	926.6	940.3
2025E Rev (m)	1,103.8	1,133.2
2026E Rev (m)	1,214.2	1,246.5
2024E EPS	3.03	3.17
2025E EPS	3.35	3.69
2026E EPS	3.54	3.90

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Stock Data

Price	156.38 USD
Price Objective	190.00 USD
Date Established	19-Jan-2024
Investment Opinion	C-1-9
52-Week Range	52.56 USD - 164.71 USD
Mkt Val (mn) / Shares Out (mn)	8,511 USD / 54.4
Free Float	96.7%
Average Daily Value (mn)	172.84 USD
BofA Ticker / Exchange	ELF / NYS
Bloomberg / Reuters	ELF US / ELF.N
ROE (2024E)	36.0%
Net Dbt to Eqty (Mar-2023A)	-13.2%
ESGMeter TM	Medium

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to "BofA ESGMeter Methodology".

MSD: mid-single digit

HSD: high-single digit

iQprofileSM e.l.f. Beauty

iQmethodSM – Bus Performance*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Return on Capital Employed	9.1%	18.6%	30.7%	27.1%	22.3%
Return on Equity	15.5%	25.4%	36.0%	30.1%	24.3%
Operating Margin	12.5%	16.9%	23.4%	24.6%	24.3%
Free Cash Flow	15	100	70	225	268

iQmethodSM – Quality of Earnings*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash Realization Ratio	0.4x	1.1x	0.4x	1.1x	1.2x
Asset Replacement Ratio	0.2x	0.1x	0.1x	0.1x	0.1x
Tax Rate	19.9%	4.8%	18.0%	22.0%	22.0%
Net Debt-to-Equity Ratio	17.1%	-13.2%	-20.7%	-41.5%	-55.9%
Interest Cover	20.1x	47.5x	NM	NA	NA

Income Statement Data (Mar)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Sales	392	579	940	1,133	1,247
% Change	23.3%	47.6%	62.4%	20.5%	10.0%
Gross Profit	252	390	661	805	892
% Change	22.1%	55.1%	69.4%	21.7%	10.8%
EBITDA	75	117	261	340	369
% Change	22.3%	56.4%	123.6%	30.4%	8.5%
Net Interest & Other Income	(12)	(5)	(4)	0	0
Net Income (Adjusted)	45	92	182	218	236
% Change	22.3%	103.0%	98.8%	19.3%	8.6%

Free Cash Flow Data (Mar)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Income from Cont Operations (GAAP)	45	92	182	218	236
Depreciation & Amortization	27	22	36	51	56
Change in Working Capital	(47)	(5)	(145)	(47)	(26)
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	(6)	(7)	1	10	10
Capital Expenditure	(5)	(2)	(5)	(7)	(8)
Free Cash Flow	15	100	70	225	268
% Change	-36.1%	581.6%	-30.1%	220.9%	19.4%
Share / Issue Repurchase	2	8	1	0	0
Cost of Dividends Paid	0	0	0	0	0
Change in Debt	(30)	(30)	(3)	0	0

Balance Sheet Data (Mar)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash & Equivalents	43	121	188	413	681
Trade Receivables	46	68	116	140	154
Other Current Assets	104	115	202	232	248
Property, Plant & Equipment	11	8	6	4	1
Other Non-Current Assets	291	284	292	267	239
Total Assets	495	596	804	1,055	1,322
Short-Term Debt	6	6	5	5	5
Other Current Liabilities	59	102	122	128	132
Long-Term Debt	91	61	58	58	58
Other Non-Current Liabilities	26	16	20	20	20
Total Liabilities	182	185	205	212	215
Total Equity	312	411	603	843	1,107
Total Equity & Liabilities	495	596	808	1,055	1,322

* For full definitions of iQmethodSM measures, see page 7.

Company Sector

Household Products

Company Description

e.l.f. Beauty, Inc. (ELF) sells professional-quality makeup and skincare products at affordable prices. Its products are vegan, paraben-free, cruelty-free, and focused on clean beauty. e.l.f. Beauty, Inc. operates with five brands: e.l.f. Cosmetics, e.l.f. SKIN, W3LL PEOPLE, Keys Soulcare, and Naturium. Brushes, primers, concealers, brows, and sponges comprise over 50% of ELF's sales. ELF has 12% of its sales outside of the U.S.

Investment Rationale

We rate ELF shares Buy. The company has a leading market position across its core segments (brushes, primers, concealers, brows, and sponges) and we expect continued market share momentum in the color cosmetics category. Volumes remain strong despite certain price increases, and ELF has significant whitespace opportunity to increase shelf space with distributors. ELF has an attractive business model with a scalable supply chain, without need for significant capital to fund its manufacturing.

Stock Data

Average Daily Volume 1,105,258

Quarterly Earnings Estimates

	2023	2024
Q1	0.39A	1.10A
Q2	0.36A	0.82A
Q3	0.48A	0.74E
Q4	0.42A	0.51E

BofA estimates remain above consensus long-term

ELF has exceeded Street estimates and raised guidance through F24, and we continue to remain above consensus in F24 and F25. For F24, ELF has guided to net sales of \$896-\$906m, or +55-57% growth y/y. In FQ3, we expect sales to increase +68%, with gross margin +272bps; for the full year, we expect sales growth of +62% and gross margin expansion of +287bps, ahead of management's guidance of +225bps gross margin expansion. ELF's long-term outlook calls for a net sales CAGR of +MSD to +HSD, and for its adj. EBITDA CAGR to outpace net sales growth. We expect sales growth of +20.5% y/y in F25, with adj. EBITDA growth outpacing sales growth at +30%. Farther out, we expect top-line growth to moderate but remain elevated at +10% y/y with adj. EBITDA growth of +8.5%. We anticipate outsized growth in F24/F25 despite difficult comps as ELF continues to create mix-accretive innovative products and gains market share with whitespace opportunities in lip, eye, and skincare.

Exhibit 1: ELF BofA estimates vs. guidance vs. consensus

ELF has consistently raised guidance through F24 (fiscal year ends March)

ELF OUTLOOK	5/24/2023	8/1/2023	11/1/2023					
(\$ in mm, except per share)	FY24 guidance	FY24 guidance	F24 guidance	FY24 BofAe	FY24 Street	FY25 BofAe	FY25 Street	Long-term outlook
Net revenues	\$705-\$720	\$792-\$802	\$896-\$906	\$940	\$912	\$1,133	\$1,107	Grow +MSD to +HSD net sales CAGR
% change y/y	+22-24%	+37-39%	+55-57%	62.4%	57.6%	20.5%	21.3%	
Gross margin (bps)	+100	+150	+225	287	250	70	30	
Marketing and digital investment	+22-24% of net sales	+22-24% of net sales	+22-24% of net sales					
Adjusted EBITDA	\$144.5-\$147.5	\$171-\$174	\$197-\$200	\$261	\$210	\$340	\$262	Adj. EBITDA CAGR to outpace sales growth
% change y/y	+24-26%	+46-49%	+69-71%	123.6%	79.8%	30.4%	24.8%	
Tax rate	21-22%	17-18%	17-18%	18.0%	17.4%	22.0%	20.5%	
Adjusted net income	\$98.5-\$100.5	\$125-\$127	\$144-\$146	\$182.5	\$154.0	\$217.8	\$184.0	
EPS	\$1.73-\$1.76	\$2.19-\$2.22	\$2.47-\$2.50	\$3.17	\$2.66	\$3.69	\$3.11	
Share count	57.0	57.0	58.0	57.6	57.9	59.0	59.2	

Source: Company reports, BofA Global Research estimates, Bloomberg consensus estimates.

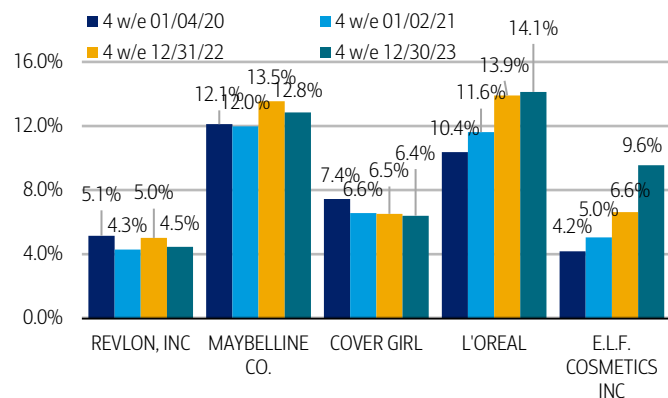
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Category expansion and market share update

Currently, ELF has nearly 10% market share of mass cosmetics, exceeding that of Covergirl at 6.4%, but below Maybelline at 12.8% and L'Oreal at 14.1%. ELF's market share exceeds that of peers on cosmetic implements (brushes, sponges) and face cosmetics (primers, concealer) while under-indexing on eye cosmetics (mascara) and lip cosmetics, providing potential areas of expansion.

Exhibit 2: ELF's market share is #3 among mass cosmetics peers...

Top 5 mass cosmetics brands market share

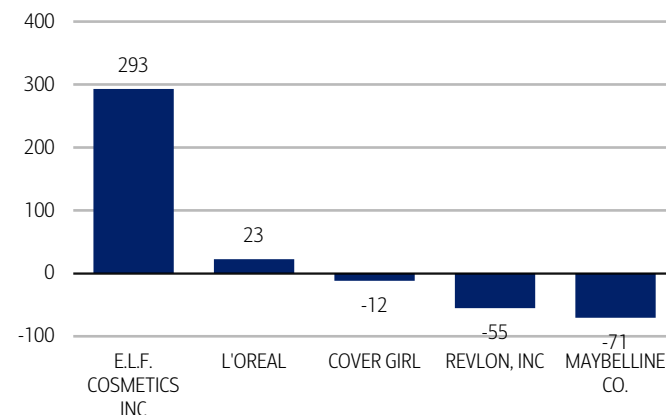


Source: Company reports, NielsenIQ.

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Exhibit 3: ...and continues to see strong gains vs. the year ago

Top 5 mass cosmetics brands market share change vs. year ago (bps)

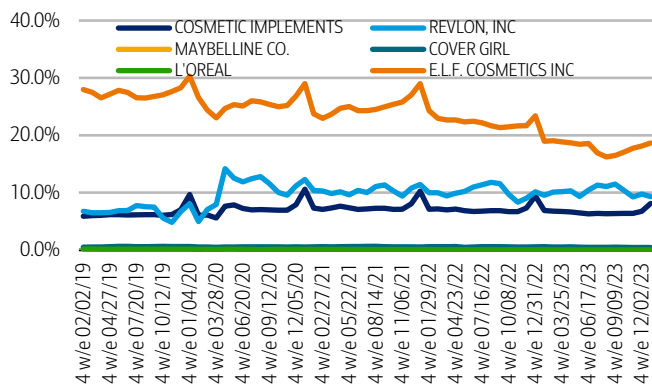


Source: Company reports, NielsenIQ. Latest 4 weeks ending 12/30/23.

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Exhibit 4: ELF over-indexes in cosmetic implements

ELF sees ~19% of sales attributed to cosmetic implements vs. ~8% of category sales

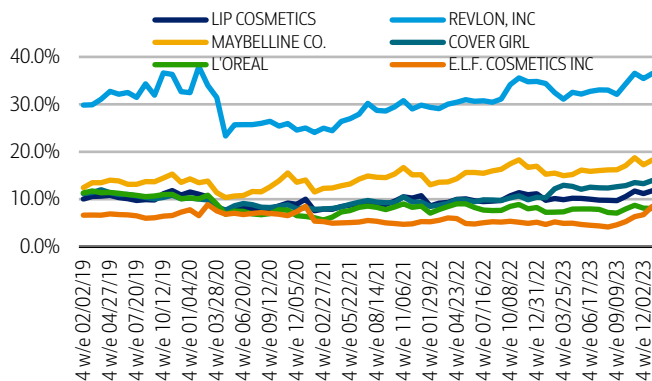


Source: Company reports, NielsenIQ. Latest 4-week periods ending 12/30/23.

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Exhibit 6: ELF under-indexes in lip cosmetics

ELF sees ~8.5% of sales attributed to lip vs. ~12% of category sales

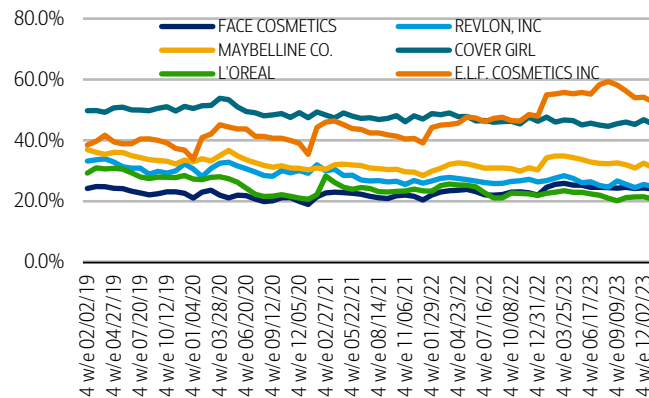


Source: Company reports, NielsenIQ. Latest 4-week periods ending 12/30/23.

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Exhibit 5: ELF over-indexes in face cosmetics

ELF sees ~53% of sales attributed to face vs. ~24% of category sales

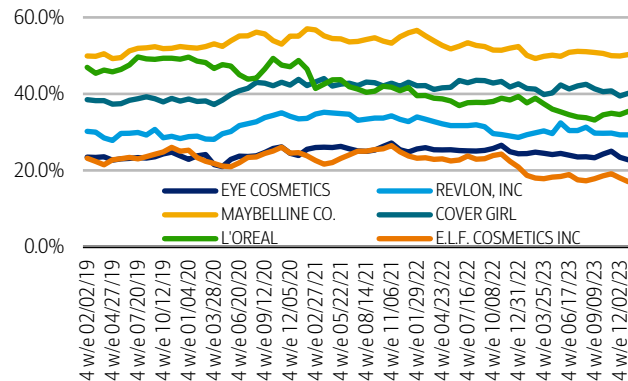


Source: Company reports, NielsenIQ. Latest 4-week periods ending 12/30/23.

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Exhibit 7: ELF under-indexes in eye cosmetics

ELF sees ~17% of sales attributed to eye vs. ~23% of category sales



Source: Company reports, NielsenIQ. Latest 4-week periods ending 12/30/23.

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Exhibit 8: ELF Income Statement

Fiscal year end March, \$ in millions except per share data

	FY24E				Mar-24 2024	FY25E				Mar-25 2025
	Jun-23 Q1	Sep-23 Q2	Dec-23 Q3	Mar-24 Q4		Jun-24 Q1	Sep-24 Q2	Dec-24 Q3	Mar-25 Q4	
Total Sales	216.3	215.5	246.2	262.3	940.3	274.8	273.7	283.1	301.6	1,133.2
% change y/y	76.5%	76.1%	68.0%	40.0%	62.4%	27.0%	27.0%	15.0%	15.0%	20.5%
Cost of Goods Sold	63.8	63.1	73.6	78.6	279.2	79.7	78.3	82.5	88.0	328.5
% change y/y	61.0%	47.6%	54.0%	35.0%	48.1%	25.0%	24.0%	12.0%	12.0%	17.7%
Gross Profit	152.6	152.4	172.6	183.7	661.2	195.0	195.4	200.6	213.6	804.7
Gross Margin %	70.5%	70.7%	70.1%	70.0%	70.3%	71.0%	71.4%	70.9%	70.8%	71.0%
Gross margin change (bps)	283.7	567.4	271.9	111.0	286.9	46.4	69.2	78.0	78.2	69.6
% change y/y	83.9%	91.5%	74.8%	42.3%	69.4%	27.8%	28.2%	16.3%	16.3%	21.7%
Increase in gross profit	69.6				255.6					
Operating expenses										
SG&A- reported	91.9	112.2	128.2	153.8	486.1	116.8	139.1	146.2	175.3	577.4
SG&A- ex-charges	84.4	97.8	115.9	144.6	442.7	107.1	121.3	132.2	164.9	525.5
SG&A as % of sales	39.0%	45.4%	47.1%	55.1%	47.1%	39.0%	44.3%	46.7%	54.7%	46.4%
y/y change	53.4%	76.7%	70.0%	27.0%	51.4%	27.0%	24.0%	14.0%	14.0%	18.7%
Share-based comp expense	7.2	11.2	13.5	14.4	46.4	15.1	15.1	15.6	16.6	62.3
% of sales	3.3%	5.2%	5.5%	5.5%	4.9%	5.5%	5.5%	5.5%	5.5%	5.5%
Amortization expense	2.0	2.0			4.1					-
Other non-cash and non-recurring	(1.7)	(4.5)			(6.2)					-
Restructuring & other	1.5	3.2			4.7					-
Operating income GAAP	60.6	41.5	44.3	29.9	176.3	78.3	56.3	54.5	38.3	227.3
Operating income	68.4	55.9	56.6	39.1	220.0	87.9	74.1	68.5	48.7	279.2
Operating margin %	31.6%	25.9%	23.0%	14.9%	23.4%	32.0%	27.1%	24.2%	16.1%	24.6%
y/y change	144.6%	138.7%	85.5%	181.0%	129.6%	28.4%	32.7%	20.9%	24.7%	26.9%
D&A	3.9	5.6	11.8	11.8	33.0	11.5	13.4	12.9	12.9	50.7
D&A margin %	1.8%	2.6%	4.8%	4.4%	3.5%	4.2%	4.9%	4.6%	4.2%	4.5%
EBITDA reported	63.9	46.6	56.1	41.7	208.3	89.8	69.7	67.3	51.2	278.0
Adj. EBITDA	74.3	61.0	69.6	56.1	261.1	104.9	84.8	82.9	67.8	340.4
EBITDA margin %	34.3%	28.3%	28.3%	21.4%	27.8%	38.2%	31.0%	29.3%	22.5%	30.0%
y/y change	134.5%	124.0%	90.2%	164.1%	123.6%	41.2%	38.9%	19.1%	20.8%	30.4%
Interest Expense	0.3	-	0.3	-	0.7	-	-	-	-	-
Other expense (income) GAAP	0.6	0.4			1.1					-
Other expense (income) ex-charges	(2.8)	(0.3)			(3.2)					-
Pretax income GAAP	59.7	41.0	44.0	29.9	174.6	78.3	56.3	54.5	38.3	227.3
Pretax income ex-charges	71.0	56.2	56.3	39.1	222.5	87.9	74.1	68.5	48.7	279.2
Pretax margin %	32.8%	26.1%	22.9%	14.9%	23.7%	32.0%	27.1%	24.2%	16.1%	24.6%
Income tax benefit (provision)	(6.7)	(6.5)	(13.5)	(9.4)	(36.0)	(19.3)	(16.3)	(15.1)	(10.7)	(61.4)
Income taxes ex-charges	(8.1)	(9.0)	(13.5)	(9.4)	(40.0)	(19.3)	(16.3)	(15.1)	(10.7)	(61.4)
Tax rate ex-charges %	11.4%	16.1%	24.0%	24.0%	18.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Minority interest										
Adjusted minority interest										
Net income GAAP	53.0	30.1	30.5	20.5	134.1	58.9	40.0	39.4	27.6	165.9
Net income ex-charges	62.9	47.1	42.8	29.7	182.5	68.6	57.8	53.4	38.0	217.8
EPS from continuing operations										
EPS - reported	0.93	0.52	0.53	0.35	2.33	1.01	0.68	0.66	0.46	2.81
EPS - ex-charges	1.10	0.82	0.74	0.51	3.17	1.17	0.98	0.90	0.64	3.69
Basic shares	53.9	54.4	54.6	54.83	54.5	55.0	55.2	55.4	55.63	55.3
Diluted shares	57.2	57.4	57.7	58.0	57.6	58.4	58.8	59.2	59.6	59.0

Source: Company reports, BofA Global Research estimates.

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Price objective basis & risk

e.l.f. Beauty (ELF)

Our PO of \$190 is based on a DCF analysis and implies a 30x CY25e EV/EBITDA multiple. Our DCF is predicated on a WACC of 9.9% and terminal growth rate of 4%. This is a premium to publicly traded beauty and HPC peers given stronger volume growth, price/mix gains, and market share momentum. We believe this multiple is warranted as the company is still in a high growth phase and continues to diversify its portfolio and customer base.

Downside risks to our price objective are: 1) changing consumer preferences, particularly among younger consumers, 2) difficulty diversifying sales into older demographic groups, 3) operational and geopolitical risk from third-party manufacturing in China. ELF uses several third party suppliers and manufacturers in China to source and manufacture nearly all of its products. Any disruption to their relationships may be detrimental to the company's sales.

Analyst Certification

I, Anna Lizzul, 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 - Consumables Coverage Cluster

Investment rating	Company	BoFA Ticker	Bloomberg symbol	Analyst
BUY				
	BellRing Brands Inc	BRBR	BRBR US	Bryan D. Spillane
	Celsius Holdings Inc	CELH	CELH US	Jonathan Keypour
	Coca-Cola Europacific Partners plc	CCEP	CCEP US	Bryan D. Spillane
	Colgate-Palmolive Company	CL	CL US	Bryan D. Spillane
	Constellation Brands	STZ	STZ US	Bryan D. Spillane
	Coty Inc.	COTY	COTY US	Anna Lizzul
	e.l.f. Beauty	ELF	ELF US	Anna Lizzul
	Freshpet, Inc.	FRPT	FRPT US	Bryan D. Spillane
	Kenvue Inc.	KVUE	KVUE US	Anna Lizzul
	Keurig Dr Pepper	KDP	KDP US	Bryan D. Spillane
	Kraft Heinz Company	KHC	KHC US	Bryan D. Spillane
	Lamb Weston Holdings Inc	LW	LW US	Peter T. Galbo, CFA
	McCormick & Co.	MKC	MKC US	Peter T. Galbo, CFA
	Mondelez International	MDLZ	MDLZ US	Bryan D. Spillane
	Monster Beverage Corporation	MNST	MNST US	Peter T. Galbo, CFA
	PepsiCo	PEP	PEP US	Bryan D. Spillane
	Philip Morris International	PM	PM US	Lisa K. Lewandowski
	Pilgrim's Pride Corp.	PPC	PPC US	Peter T. Galbo, CFA
	The Coca Cola Company	KO	KO US	Bryan D. Spillane
	The Procter & Gamble Company	PG	PG US	Bryan D. Spillane
NEUTRAL				
	Altria Group	MO	MO US	Lisa K. Lewandowski
	Church & Dwight	CHD	CHD US	Anna Lizzul
	Clorox	CLX	CLX US	Anna Lizzul
	Conagra Brands, Inc.	CAG	CAG US	Peter T. Galbo, CFA
	Estee Lauder Companies Inc.	EL	EL US	Bryan D. Spillane
	General Mills	GIS	GIS US	Bryan D. Spillane
	JM Smucker Company	SJM	SJM US	Peter T. Galbo, CFA
	Kellanova	K	K US	Peter T. Galbo, CFA
	Molson Coors Beverage Company	TAP	TAP US	Bryan D. Spillane
	The Duckhorn Portfolio, Inc.	NAPA	NAPA US	Peter T. Galbo, CFA
	The Hershey Company	HSY	HSY US	Bryan D. Spillane
	Utz Brands	UTZ	UTZ US	Peter T. Galbo, CFA
	WK Kellogg Co	KLG	KLG US	Peter T. Galbo, CFA

US - Consumables Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
UNDERPERFORM				
	Brown-Forman Corporation	BFB	BF/B US	Bryan D. Spillane
	Campbell Soup Company	CPB	CPB US	Peter T. Galbo, CFA
	Canopy Growth	YWEE	WEED CN	Lisa K. Lewandowski
	Canopy Growth	CGC	CGC US	Lisa K. Lewandowski
	Cronos Group	YCRON	CRON CN	Lisa K. Lewandowski
	Cronos Group	CRON	CRON US	Lisa K. Lewandowski
	Dole plc	DOLE	DOLE US	Bryan D. Spillane
	Herbalife Nutrition Ltd	HLF	HLF US	Anna Lizzul
	Hormel Foods Corp.	HRL	HRL US	Peter T. Galbo, CFA
	Kimberly-Clark	KMB	KMB US	Anna Lizzul
	Tyson Foods, Inc.	TSN	TSN US	Peter T. Galbo, CFA
RSTR				
	The Vita Coco Company, Inc.	COCO	COCO US	Bryan D. Spillane

iQmethodSM Measures Definitions**Business Performance**

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

EV / EBITDA

Numerator

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

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash & Equivalents

EBIT

Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

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

Other LT Liabilities

Enterprise Value

Denominator

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

Shareholders' Equity

Sales

N/A

N/A

Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

Basic EBIT + Depreciation + Amortization

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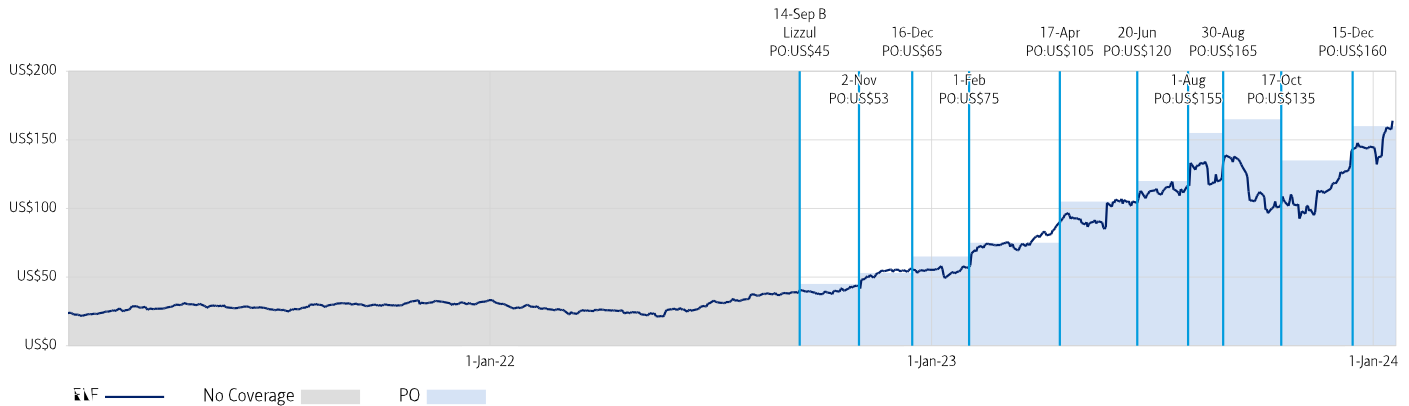
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Important Disclosures

e.l.f. Beauty (ELF) Price Chart



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

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	32	50.00%	Buy	16	50.00%
Hold	19	29.69%	Hold	8	42.11%
Sell	13	20.31%	Sell	7	53.85%

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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