

C3.ai

Still lacking visibility on growth with consumption transition

Reiterate Rating: UNDERPERFORM | PO: 20.00 USD | Price: 29.69 USD

Slight raise to full year revenue and op income guide

C3.ai reported good Q3 results, with revenue and operating income both ahead of expectations. However, the full year outlook revisions for both top line and operating income were both less than the outperformance in the quarter, suggesting some of the beat could be timing-related. The company added 41 customers, for a total of 445 customers. Lastly, CFO Juho Parkkinen will be transitioning to VP of Finance. Current CAO Hitesh Lath will be the new CFO. We view the transition as unexpected given Mr. Parkkinen's <2 year tenure, which also followed a two prior CFO transitions in <1 year.

Outsized num of customers opting for multi yr agreements

RPO and cRPO are becoming less important metrics as C3.ai undergoes a consumption transition but commentary on the call suggests an outsized number of customers are still opting for traditional multi year subscription contracts. This can be viewed positively given multi year subscription agreements are an indication of commitment to C3.ai offerings. However, while not a perfect gauge given the transition, we expected these deals to provide a more meaningful offset to RPO and cRPO metrics (-5% and +1% q/q).

Investments remain elevated to fuel brand awareness

Major investments in sales & marketing are being made to promote C3.ai's generative AI offerings, with commentary suggesting most of this should be one-time in nature. Additionally, 50 booked deals in the quarter vs 41 q/q adds suggests some elevated churn in the model. The investments being made for generative AI brand awareness, paired with increasing required sales & marketing costs to add new customers will likely push out C3.ai's prior goal to reach breakeven on PF OpM by H2FY25. The company gave an indication that it should be FCF positive in FY25 though. We revise our operating income estimate to -\$83mn/- \$63mn for FY25/26E (from -\$28mn/+ \$0mn), respectively.

Reiterate Underperform rating

We raise our PO to \$20 (from \$18 PO) primarily for multiple expansion across the group. However, we maintain our Underperform. C3.ai is operating at a TTM (C23) rule of -21 (sum of +11% y/y and -32% PF OpM), which compares to small cap software peers at a rule of +26. Given this profile, we do not believe the premium priced into shares is justified, even accounting for potential generative AI tailwinds. Our \$20 PO is 0.3x growth-adjusted for +14% y/y revenue growth (4.6x C25E revenue) versus small cap software peers at 0.4x growth-adjusted on +12% y/y growth (5.5x C25E revenue).

Estimates (Apr) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	(0.76)	(0.42)	(0.68)	(0.35)	(0.17)
GAAP EPS	(1.91)	(2.44)	(2.53)	(2.31)	(2.29)
EPS Change (YoY)	-40.7%	44.7%	-61.9%	48.5%	51.4%
Consensus EPS (Bloomberg)			(0.73)	(0.34)	(0.07)
DPS	0	0	0	0	0
Valuation (Apr)					
Free Cash Flow Yield*	-2.6%	-5.4%	-2.8%	0.2%	0.8%

* For full definitions of *IQmethod*SM measures, see page 8.

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Timestamp: 28 February 2024 11:05PM EST

28 February 2024

Equity

Key Changes

(US\$)	Previous	Current
Price Obj.	18.00	20.00
2024E Rev (m)	307.0	308.0
2025E Rev (m)	355.3	356.5
2026E Rev (m)	405.1	406.4
2024E EPS	-0.74	-0.68
2025E EPS	0.09	-0.35
2026E EPS	0.31	-0.17

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Stock Data

Price	29.69 USD
Price Objective	20.00 USD
Date Established	28-Feb-2024
Investment Opinion	C-3-9
52-Week Range	16.79 USD - 48.87 USD
Mkt Val (mn) / Shares Out (mn)	3,455 USD / 116.4
Free Float	90.5%
Average Daily Value (mn)	222.26 USD
BofA Ticker / Exchange	AI / NYS
Bloomberg / Reuters	AI US / AI.N
ROE (2024E)	-9.2%
Net Dbt to Eqty (Apr-2023A)	-28.8%
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".

CAO = chief accounting officer

RPO = remaining performance obligation

cRPO = current remaining

iQprofileSM C3.ai

iQmethodSM – Bus Performance*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Return on Capital Employed	-6.7%	-4.1%	-7.5%	-4.6%	-2.5%
Return on Equity	-7.5%	-4.8%	-9.2%	-5.5%	-2.9%
Operating Margin	-32.1%	-25.5%	-38.8%	-23.6%	-15.6%
Free Cash Flow	(91)	(186)	(98)	7	27

iQmethodSM – Quality of Earnings*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash Realization Ratio	NM	NM	NM	NM	NM
Asset Replacement Ratio	0.8x	9.2x	1.9x	0.3x	0.3x
Tax Rate	NM	NM	NM	NM	NM
Net Debt-to-Equity Ratio	-32.8%	-28.8%	-12.7%	-7.6%	-12.3%
Interest Cover	NA	NA	NA	NA	NA

Income Statement Data (Apr)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Sales	253	267	308	356	406
% Change	38.0%	5.6%	15.5%	15.7%	14.0%
Gross Profit	201	205	214	250	289
% Change	43.3%	2.4%	4.1%	16.7%	15.6%
EBITDA	(76)	(62)	(107)	(73)	(51)
% Change	-125.7%	18.3%	-73.3%	32.3%	30.4%
Net Interest & Other Income	5	22	41	42	42
Net Income (Adjusted)	(77)	(46)	(81)	(44)	(23)
% Change	-131.6%	39.7%	-74.6%	46.1%	48.5%

Free Cash Flow Data (Apr)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Income from Cont Operations (GAAP)	(192)	(268)	(301)	(288)	(297)
Depreciation & Amortization	5	8	14	11	13
Change in Working Capital	(19)	(72)	14	42	40
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	119	218	202	245	276
Capital Expenditure	(4)	(72)	(26)	(4)	(4)
Free Cash Flow	-91	-186	-98	7	27
% Change	-131.6%	-104.4%	47.4%	NM	321.6%
Share / Issue Repurchase	0	0	0	0	0
Cost of Dividends Paid	0	0	0	0	0
Change in Debt	0	0	0	0	0

Balance Sheet Data (Apr)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash & Equivalents	340	285	126	80	125
Trade Receivables	80	135	156	131	111
Other Current Assets	641	469	616	617	619
Property, Plant & Equipment	15	85	91	90	90
Other Non-Current Assets	96	130	21	24	27
Total Assets	1,171	1,103	1,010	943	971
Short-Term Debt	15	17	20	23	26
Other Current Liabilities	135	119	104	110	117
Long-Term Debt	0	0	0	0	5
Other Non-Current Liabilities	31	37	46	52	59
Total Liabilities	181	173	169	185	207
Total Equity	989	930	841	758	770
Total Equity & Liabilities	1,171	1,103	1,010	943	976

* For full definitions of iQmethodSM measures, see page 8.

Company Sector

Server & Enterprise Software

Company Description

C3.ai is an enterprise software vendor headquartered in Redwood City, California, that provides an end to end platform for building large scale artificial intelligence systems to predict business metrics for optimizing key operational functions. The platform includes data integration, data management, analytics processing, stream processing, machine learning, app development tools, and visualization.

Investment Rationale

While we believe that C3 is positioned to continue gaining share of the \$19bn AI app mkt given key competitive advantages including 1) an e2e platform, 2) patented model driven architecture, 3) integration w major clouds, our Underperform is due to lacking NT visibility in metrics. We believe partnerships w/ industry leaders can drive meaningful incr subs growth but remain sidelined as C3 formalizes more partnerships & becomes less reliant on BH to drive a meaningful % revenue/RPO growth.

Stock Data

Average Daily Volume 7,486,019

Quarterly Earnings Estimates

	2023	2024
Q1	-0.12A	-0.09A
Q2	-0.11A	-0.13A
Q3	-0.06A	-0.13A
Q4	-0.13A	-0.32E

Q3 earnings recap

C3.ai reported good Q3 results, marked by revenue and operating income both ahead of our estimates. However, the company's full year outlook revisions for both top line and operating income were less than the outperformance in the quarter, suggesting some of the beat was timing related. The new topline outlook for \$306 to \$308 million is \$0.5 million ahead of its prior expectation for \$295 million to \$320 million at the midpoint. The new operating income loss guide for the full year is lower than the prior guide at the midpoint (-\$119 million versus prior -\$125 million).

Revenue of \$78.4 million (+18% y/y) was ahead of our \$73.6 million. Subscription revenue of \$70.4 million (+23% y/y) was ahead of our \$64.9 million. Remaining performance obligation (RPO) decreased again to \$286.9 million (-29% y/y; -5% q/q). The average total contract value (TCV) across the 50 deals it booked in Q3 was \$1.2 million, a meaningful step up from Q2 and Q1's \$700k and \$800k, respectively. This number likely trended up as a higher mix of customers opted for a subscription contract this quarter than in Q2 and Q1. Lastly, customer engagements of 445 (+10% q/q) was up from last quarter's 404 (+21% q/q).

Exhibits/models

Exhibit 1: Estimates vs. reported numbers

Total revenue landed just shy of our estimate (\$73.2mn versus \$73.6mn)

\$ in Thousands (except per share data)	3Q24 Estimates	3Q24 Actuals	Variance
Subscription	\$64,864	\$70,400	9%
Professional Services	\$8,700	\$8,001	-8%
Total revenue	\$73,564	\$78,401	7%
Cost of revenues	\$22,693	\$23,726	5%
Gross Profit	\$50,870	\$54,675	7%
Operating Expenses			
Sales and marketing	\$33,839	\$39,116	16%
Research and development	\$31,632	\$29,985	-5%
General and administrative	\$11,035	\$11,364	3%
Total Operating Expenses	\$76,506	\$80,465	5%
Operating Income (loss)	(\$25,636)	(\$25,790)	1%
Interest and other income (expense), net	\$49,745	\$10,404	-79%
Income (loss) before provision for income taxes	(\$15,753)	(\$15,386)	-2%
Provision for income taxes	\$215	\$489	
Net Income - Pro forma	(\$15,968)	(\$15,875)	-1%
EPS (diluted) - Pro forma	(\$0.14)	(\$0.13)	-4%
Net Income - GAAP	(\$68,487)	(\$72,631)	6%
EPS (diluted) - GAAP	(\$0.59)	(\$0.60)	3%
Shares outstanding (Non-GAAP diluted)	116,838	120,486	3%
Growth Analysis - YoY			
Subscription	9%	23%	14.4%
Professional Services	200%	-17%	-216.9%
Total Revenues	18%	18%	-0.3%
Margin Analysis			
Total gross margin	69.2%	69.7%	0.6%
Sales and marketing	46.0%	49.9%	3.9%
Research and development	43.0%	38.2%	-4.8%
General and administrative	15.0%	14.5%	-0.5%
Operating Margin	-34.8%	-32.9%	2.0%
Pre-tax margin	-21.4%	-19.6%	1.8%
Tax rate - pro forma	1.4%	3.2%	1.8%
Net Margin	-21.7%	-20.2%	1.5%
Balance Sheet & Cash Flow Data			
Cash & equivalents	\$182,757	\$114,561	-37.3%
Deferred revenue	\$28,700	\$39,121	36.3%
Long-term deferred revenue	\$12	\$2,183	18219.1%
Total deferred revenue	\$28,712	\$41,304	43.9%
Billings	\$61,316	\$79,151	29.1%
Cash flow from operations	(\$22,949)	(\$39,051)	70.2%
Free cash flow	(\$23,685)	(\$45,138)	90.6%

Source: BofA Global Research estimates, company report

BofA GLOBAL RESEARCH

Exhibit 2: Estimate change summary

We expect +16% y/y revenue growth for FY25E

	4Q24E	FY2024E	FY2025E
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Exhibit 2: Estimate change summary

We expect +16% y/y revenue growth for FY25E

	Previous Estimate	Previous Y/Y Growth	New Estimate	New Y/Y Growth	Previous Estimate	Previous Y/Y Growth	New Estimate	New Y/Y Growth	Previous Estimate	Previous Y/Y Growth	New Estimate	New Y/Y Growth
Subscription	\$67,102	18.0%	\$65,965	16.0%	\$259,932	12.8%	\$264,166	14.6%	\$300,850	15.7%	\$305,772	15.8%
Professional Services	\$18,342	18.0%	\$18,031	16.0%	\$47,106	29.6%	\$43,822	20.5%	\$54,459	15.6%	\$50,653	15.6%
Total revenue	\$85,444	18.0%	\$83,996	16.0%	\$307,037	15.1%	\$307,988	15.4%	\$355,309	15.7%	\$356,426	15.7%
Operating Income (loss)	(\$30,574)	29.9%	(\$47,695)	102.6%	(\$126,206)	85.4%	(\$119,151)	75.0%	(\$28,272)	-77.6%	(\$83,978)	-29.5%
Net Income - Pro forma	(\$21,042)	38.3%	(\$38,476)	152.8%	(\$88,081)	89.7%	(\$80,666)	73.8%	\$11,262	-112.8%	(\$43,708)	-45.8%
Pro forma EPS	(\$0.17)	...	(\$0.32)	...	(\$0.74)	...	(\$0.68)	...	\$0.09	...	(\$0.35)	...

Source: BofA Global Research estimates, company report

BofA GLOBAL RESEARCH



Price objective basis & risk

C3.ai (AI)

Our PO of \$20 is based on an EV/rev multiple of 4.6x our C25E revenue. On a growth-adjusted basis, this is 0.3x our +14% y/y C25E growth rate. We carry an underperform rating for 1) a more pronounced impact from macro uncertainty on the business, 2) continued lack of visibility in the business model given the lumpiness/low customer count, and 3) near-term uncertainty associated with sales execution challenges.

Risks to our price objective are: 1) Premium valuation presents risk of pullback in the event of changes to market sentiment stemming from global macro uncertainty, or potentially disappointing quarterly revenue, 2) Larger deal sizes create lumpy quarterly revenue growth which can present challenges to forecasting quarterly backlog (or remaining performance obligation), total contract value (TCV), and revenue, and 3) Enterprise application spending has proven to be highly cyclical, given the more discretionary nature of applications projects which could present a higher degree of risk for a bookings deceleration for C3.ai and other application vendors, in the event of an economic slowdown.

Analyst Certification

I, Brad Sills, 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 - Enterprise Software Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	8x8	EGHT	EGHT US	Michael J. Funk
	Adobe	ADBE	ADBE US	Brad Sills
	Alarm.com	ALRM	ALRM US	Michael J. Funk
	Amplitude, Inc.	AMPL	AMPL US	Koji Ikeda, CFA
	Asana	ASAN	ASAN US	Michael J. Funk
	BILL	BILL	BILL US	Brad Sills
	CCC Intelligent Solutions	CCCS	CCCS US	Michael J. Funk
	Dynatrace	DT	DT US	Koji Ikeda, CFA
	Elastic NV	ESTC	ESTC US	Koji Ikeda, CFA
	GitLab Inc.	GTLB	GTLB US	Koji Ikeda, CFA
	Global-e Online Ltd.	GLBE	GLBE US	Koji Ikeda, CFA
	HubSpot	HUBS	HUBS US	Brad Sills
	Informatica Inc.	INFA	INFA US	Koji Ikeda, CFA
	Intapp Inc.	INTA	INTA US	Koji Ikeda, CFA
	Intuit	INTU	INTU US	Brad Sills
	JFrog Ltd	FROG	FROG US	Koji Ikeda, CFA
	MeridianLink, Inc.	MLNK	MLNK US	Koji Ikeda, CFA
	Microsoft Corporation	MSFT	MSFT US	Brad Sills
	Monday.com	MNDY	MNDY US	Michael J. Funk
	MongoDB Inc	MDB	MDB US	Brad Sills
	nCino, Inc.	NCNO	NCNO US	Adam Bergere
	NICE Ltd.	NICE	NICE US	Michael J. Funk
	NICE Ltd.	NCSYF	NICE IT	Michael J. Funk
	PagerDuty	PD	PD US	Koji Ikeda, CFA
	PowerSchool Holdings, Inc.	PWSC	PWSC US	Koji Ikeda, CFA
	RingCentral	RNG	RNG US	Michael J. Funk
	Salesforce.com	CRM	CRM US	Brad Sills
	ServiceNow	NOW	NOW US	Brad Sills
	UiPath	PATH	PATH US	Brad Sills
	Unity	U	U US	Michael J. Funk
	Weave	WEAV	WEAV US	Michael J. Funk

US - Enterprise Software Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Workday Inc.	WDAY	WDAY US	Brad Sills
	Zeta Global	ZETA	ZETA US	Koji Ikeda, CFA
	ZoomInfo	ZI	ZI US	Koji Ikeda, CFA
NEUTRAL				
	Autodesk	ADSK	ADSK US	Michael J. Funk
	Bentley Systems	BSY	BSY US	Michael J. Funk
	BigCommerce Holdings, Inc.	BIGC	BIGC US	Koji Ikeda, CFA
	Coveo	YCVO	CVO CN	Koji Ikeda, CFA
	Datadog Inc	DDOG	DDOG US	Koji Ikeda, CFA
	DocuSign	DOCU	DOCU US	Brad Sills
	Freshworks, Inc.	FRSH	FRSH US	Adam Bergere
	HashiCorp	HCP	HCP US	Brad Sills
	Jamf	JAMF	JAMF US	Koji Ikeda, CFA
	Lightspeed Commerce Inc.	LSPD	LSPD US	Koji Ikeda, CFA
	Lightspeed Commerce Inc.	YLSPD	LSPD CN	Koji Ikeda, CFA
	Oracle Corporation	ORCL	ORCL US	Brad Sills
	Paycom	PAYC	PAYC US	Adam Bergere
	Paylocity	PCTY	PCTY US	Adam Bergere
	Shopify, Inc.	SHOP	SHOP US	Brad Sills
	Snowflake	SNOW	SNOW US	Brad Sills
	Veeva Systems, Inc.	VEEV	VEEV US	Brad Sills
	Zoom Video Communications	ZM	ZM US	Michael J. Funk
UNDERPERFORM				
	AvidXchange, Inc.	AVDX	AVDX US	Brad Sills
	Blackbaud, Inc.	BLKB	BLKB US	Koji Ikeda, CFA
	BlackLine, Inc.	BL	BL US	Koji Ikeda, CFA
	C3.ai	AI	AI US	Brad Sills
	Confluent	CFLT	CFLT US	Brad Sills
	CS Disco, Inc.	LAW	LAW US	Koji Ikeda, CFA
	Dropbox	DBX	DBX US	Michael J. Funk
	Enfusion, Inc.	ENFN	ENFN US	Koji Ikeda, CFA
	Five9	FIVN	FIVN US	Michael J. Funk
	Guidewire Software, Inc.	GWRE	GWRE US	Michael J. Funk
	Smartsheet	SMAR	SMAR US	Michael J. Funk
	Twilio	TWLO	TWLO US	Michael J. Funk
	Vertex, Inc.	VERX	VERX US	Brad Sills
RSTR				
	Splunk	SPLK	SPLK US	Brad Sills

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

$\text{NOPAT} = (\text{EBIT} + \text{Interest Income}) \times (1 - \text{Tax Rate}) + \text{Goodwill Amortization}$

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

$\text{EV} = \text{Current Share Price} \times \text{Current Shares} + \text{Minority Equity} + \text{Net Debt} +$

Other LT Liabilities

Enterprise Value

Denominator

$\text{Total Assets} - \text{Current Liabilities} + \text{ST Debt} + \text{Accumulated Goodwill}$

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

$\text{Market Cap} = \text{Current Share Price} \times \text{Current Basic Shares}$

Sales

Basic EBIT + Depreciation + Amortization

iQmethodSM is the set of BofA Global Research standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and validations. The key features of iQmethod are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

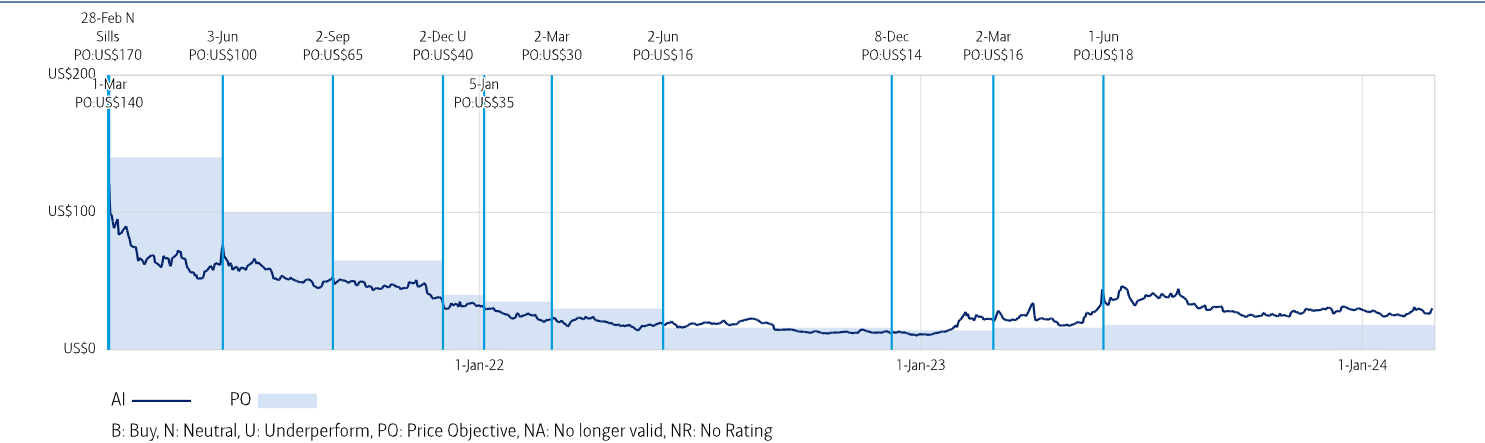
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Disclosures

Important Disclosures

C3.ai (AI) Price Chart



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: 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.

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%

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