

Leisure Brands & Retailers

Year Ahead 2024: Multigenerational leisure entertainment & fitness well positioned

Industry Overview

Multigenerational leisure entertainment well positioned

We believe multigenerational leisure entertainment concepts are well positioned for 2024 driven by increased household formation by a large demographic of millennials that favor the combination of recreational experiences with food/beverage. We believe Topgolf (MODG) should benefit from its scale, but also see significant growth in 2024 from other golf focused concepts (e.g. PopStroke, Puttshack). We also see the emergence of other “eatertainment” concepts focused around Pickleball (e.g. Chicken N Pickle) and challenge based entertainment (e.g. Andretti). We analyzed foot traffic for two large markets for Leisure Entertainment (Orlando & Phoenix) and observed no strong long-term traffic cannibalization with increased competition. We believe local leisure concepts offer great value compared to destination leisure, but see likelihood for increased gameplay promotions in 2024 as consumers seek value. For MODG, we believe a rebound in corporate events should help support same-venue sales beginning 2Q24.

Replacement cycle tailwind an offset to big ticket pressure

We believe big ticket Solitary Leisure categories (e.g. golf equipment & bikes) are better positioned compared to other high ticket discretionary categories given replacement cycle tailwinds. We estimate 4-5 year replacement cycles for many Solitary Leisure categories including golf clubs & bikes and believe a large cohort of new participants during COVID could begin upgrading from entry level purchases in 2020. For golf specifically, we see benefits as retailers incl. DKS continue to expand their offering (10 new Golf Galaxy centers planned in 2024). We see MODG & FOXF as key beneficiaries.

Expect strong year for fitness & wellness

We expect a strong year for fitness clubs including PLNT & LTH given pricing tailwinds including a potential move to \$15/month for PLNT’s entry level membership. We estimate \$0.05+ of incremental annual EPS from existing club base assuming historical churn rates, and further upside if Black Card penetration increases (as spread with \$25 membership narrows). We believe price increases, benefits from PLNT’s [new store economic model](#) (see report), and new digital advertising opportunities should accelerate franchisee returns in 2024 and unit growth in 2025. For LTH, membership demand continues to exceed desired capacity leading to additional price increases, enrollment fees, and waitlists in 2024. We see early signs of benefits [from increased usage of GLP-1 drugs](#) (see report) for weight loss which are often supplemented with exercise programs.

New innovation & product mix position HOG well for 2024

We believe HOG is well positioned for 2024 given a potential cascading of well-received CVO model innovation into the broader touring lineup. HOG’s last significant product refresh for its touring lineup was Project Rushmore in August 2013, which led to a 16% increase in touring shipments and 6% increase in global retail sales in the year following the launch. HOG’s sportster category should benefit in 2024 from easy comps as it laps the wind down of legacy models which we estimate accounted for more than half of year-to-date retail unit declines thru November. HOG should also benefit from an 11% price reduction in its entry level Nightster model. We also see a pivot to higher margin Trikes to satisfy demand for an aging boomer population & safety conscious millennials.

18 January 2024

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Timestamp: 18 January 2024 05:00AM EST

Multigenerational leisure entertainment well positioned

We believe multigenerational leisure entertainment concepts are well positioned for 2024 driven by increased household formation by a large demographic of millennials that continue to drive the experience economy. We believe Topgolf (MODG) should benefit from its scale and first mover advantage, but also see significant unit growth in 2024 from other golf focused concepts (e.g. PopStroke, Puttshack). We also see the emergence of other “eatertainment” concepts focused around Pickleball (e.g. Chicken N Pickle) and challenge based entertainment (e.g. Andretti).

We believe Local Leisure entertainment options offer great value compared to destination leisure, but see likelihood for increased promotions in 2024 (especially on high margin gameplay).

Exhibit 1: Scaled Multigenerational Local Leisure Entertainment Concepts

Topgolf should benefit from its scale and continued strong unit growth in 2024

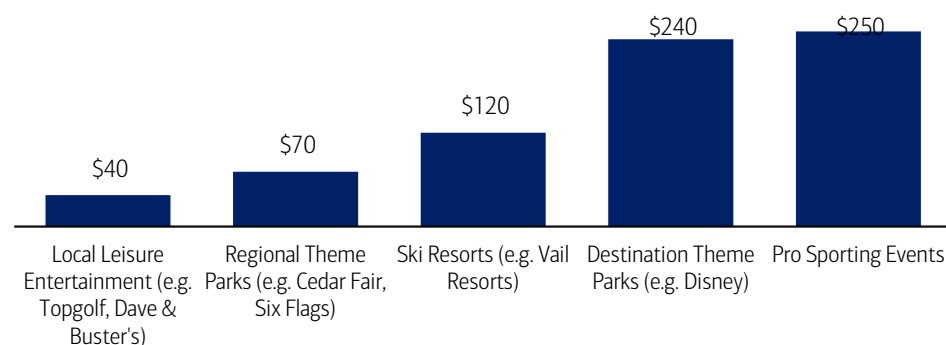
	Description	Current Venues Opened	Est. # of 2024 Openings
Topgolf	Large entertainment complex with tech enabled golf in driving range format	80	8-9
Five Iron	Indoor urban golf simulation	24	4
Puttshack	Indoor tech enabled mini golf	11	11
PopStroke	Outdoor putting concept with food / beverage	9	10
Puttery	Adult only indoor mini golf	9	1
Drive Shack	Large entertainment complex with tech enabled golf in driving range format	4	1
Pickleball			
Chicken N Pickle	Indoor/outdoor complex with food/beverage & pickleball courts	9	3
<i>Challenge Based Entertainment</i>			
Main Event	Indoor Bowling, laser tag, arcade / virtual reality	58	8
Andretti's	Indoor go-carting, laser tag, bowling, arcade games	6	3
<i>Arcade Style</i>			
Dave & Buster's	Indoor arcade with food and beverage	159	8
<i>Bowling</i>			
Bowlero	Indoor bowling with food and beverage	350	8

Source: BofA Global Research

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Exhibit 2: Estimated avg. spend per visit per person for local vs. destination leisure concepts

Multigenerational local leisure concepts such as Topgolf offer great value compared to destination leisure



Source: Company Filings

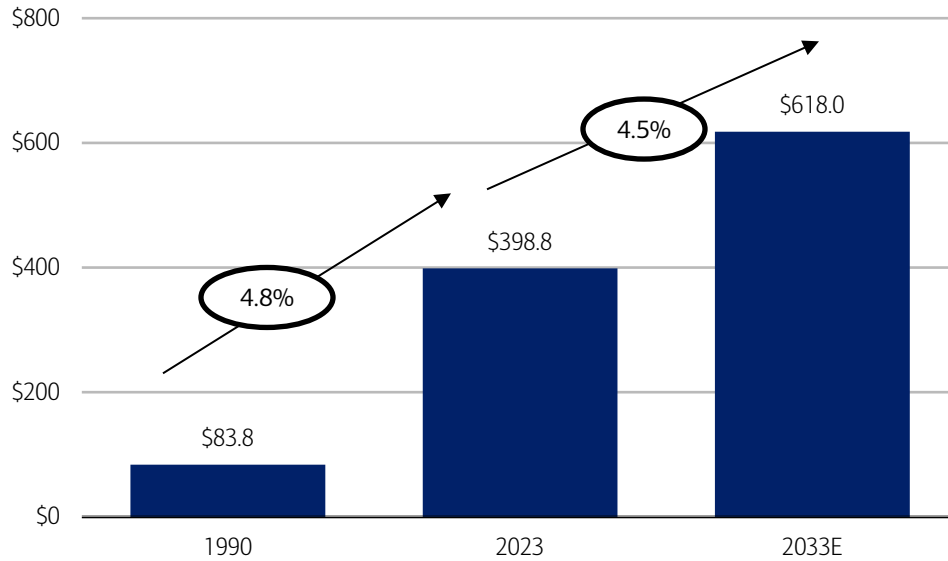
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- We believe multi-generational entertainment concepts should benefit from overall market growth as estimates from Euromonitor suggest that consumer expenditure on recreational & cultural services was \$399B in 2023, and forecast to grow at a

4.5% CAGR to \$618B by 2033. Also, we see demographic tailwinds, as Leisure Entertainment's core buying demographic (population 18-54) is forecast to add 6.7mm consumers over the next 10 years

Exhibit 3: U.S. Consumer Expenditure on Recreational & Cultural Services (\$B)

Spend on recreational services is forecast to grow at a 4.5% CAGR through 2033

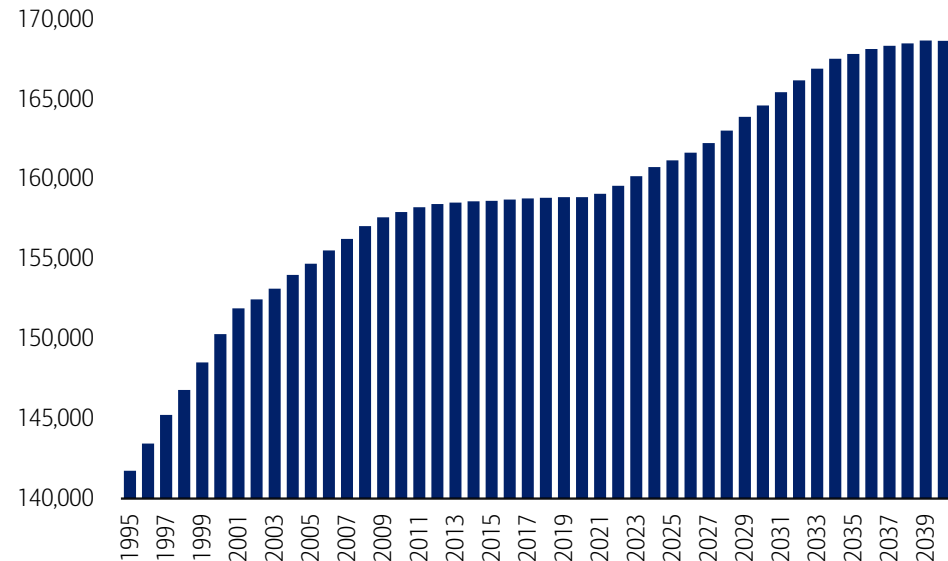


Source: Euromonitor

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Exhibit 4: U.S. Population Aged 18-54 (000s)

Multigenerational Leisure Entertainment concepts should benefit from the addition of 6.7mm new consumers over the next 10 years



Source: Euromonitor

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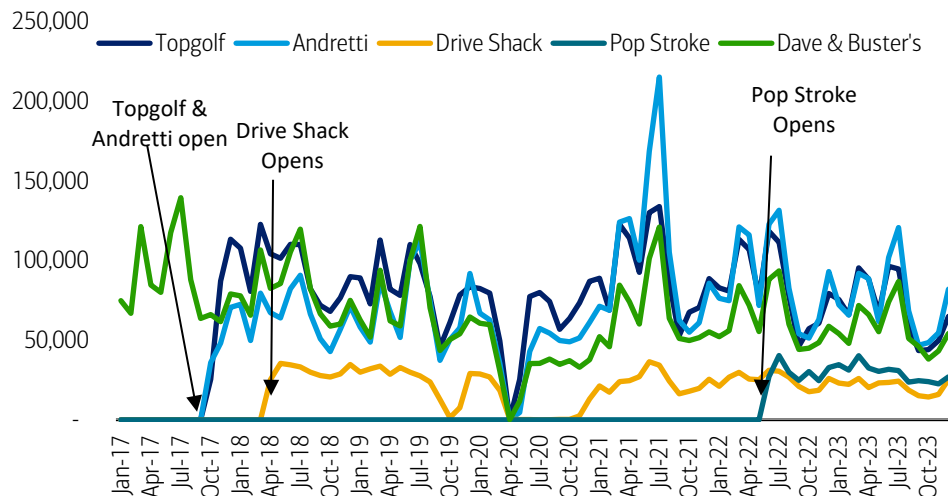
- We analyzed two large markets for Leisure Entertainment (Orlando & Phoenix) and noticed no strong long-term cannibalization with increased competition. For Orlando



specifically, Topgolf & Andretti's have the most visits & visitors. We noticed no long-term noticeable trend in traffic cannibalization as new leisure concepts opened. However, in the short-term we did observe a drop in traffic at Topgolf in the month following Popstroke opening, which then recovered

Exhibit 5: Estimate Foot Traffic by Leisure Entertainment concept in Orlando, FL

We noticed no strong traffic cannibalization with increased leisure entertainment concepts in Orlando

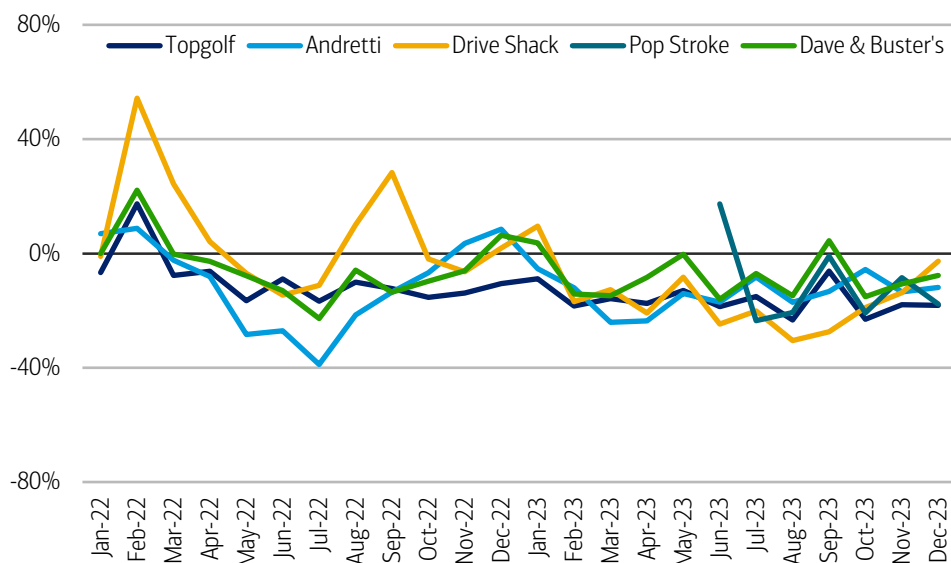


Source: Placer

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Exhibit 6: y/y% change in monthly foot traffic by leisure entertainment concept in Orlando, FL

Traffic has been negative through most of 2023 for Leisure entertainment concepts likely on corporate events softness

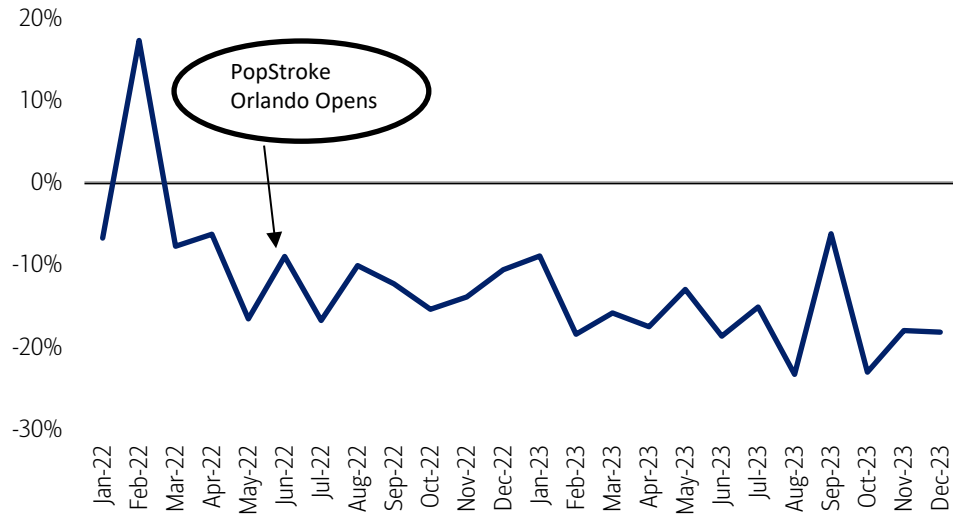


Source: Placer

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Exhibit 7: Y/Y % change in Topgolf Orlando Traffic

We noticed a short term deceleration in traffic following PopStroke opening, which then recovered



Source: Placer

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Exhibit 8: Select 2023 Metrics for Multigenerational Leisure Entertainment venues in Orlando

Andretti Indoor Carting has the most visits & visitors but Topgolf has the highest dwell time

Metrics	Topgolf	Andretti	Drive Shack	Pop Stroke	Dave & Buster's
Visits	846,372	904,542	252,225	353,961	690,076
Visitors	696,992	775,401	180,767	256,687	562,802
Visit Frequency per year	1.21	1.17	1.41	1.38	1.23
Avg. Dwell Time (min)	134	131	122	107	124

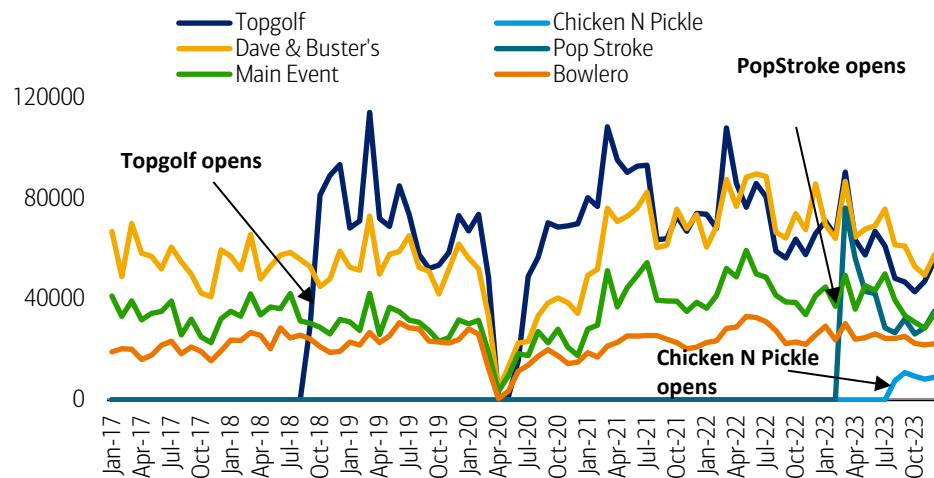
Source: Placer

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- We also analyzed Phoenix / Glendale, Arizona and noticed no strong long term traffic cannibalization. However, Topgolf traffic decelerated in the month following Popstroke opening, before recovering

Exhibit 9: Estimate Foot Traffic by Leisure Entertainment concept in Phoenix/Glendale, AZ

We saw no long-term traffic cannibalization from increased Leisure Entertainment concepts

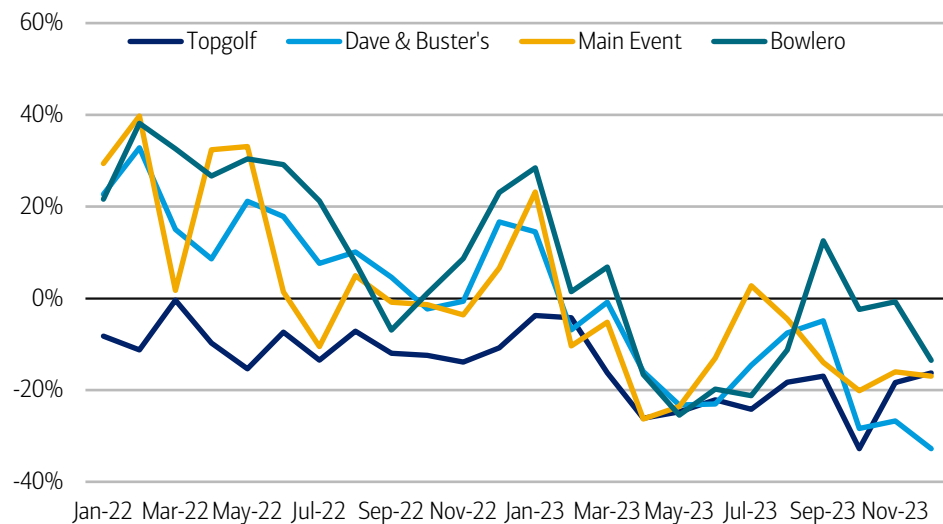


Source: Placer

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Exhibit 10: y/y% change in monthly foot traffic by leisure entertainment concept in Phoenix / Glendale, AZ

We see easy traffic comps in 2024 against more challenged trends in 2023 due to corporate events weakness



Source: Placer

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Exhibit 11: Select 2023 Metrics for Multigenerational Leisure Entertainment venues in Phoenix/Glendale

Topgolf & Dave & Buster's have the most visits & visitors

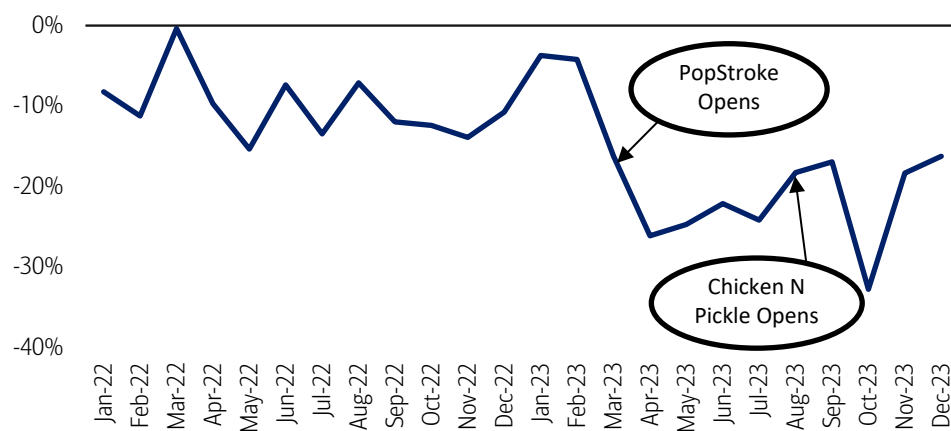
Metrics	Topgolf	Chicken N Pickle	Dave & Buster's	Pop Stroke	Main Event	Bowlero
Visits	716,562	45,098	780,861	395,264	473,401	299,193
Visitors	495,815	37,576	529,450	349,134	338,317	120,849
Visit Frequency	1.45	1.2	1.47	1.13	1.40	2.48
Avg. Dwell Time	136	110	87	113	140	137

Source: Placer

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Exhibit 12: Y/Y % change in Topgolf Glendale, Arizona Traffic

Topgolf traffic decelerated in the month following PopStroke opening, but there was no noticeable impact from Chicken N Pickle



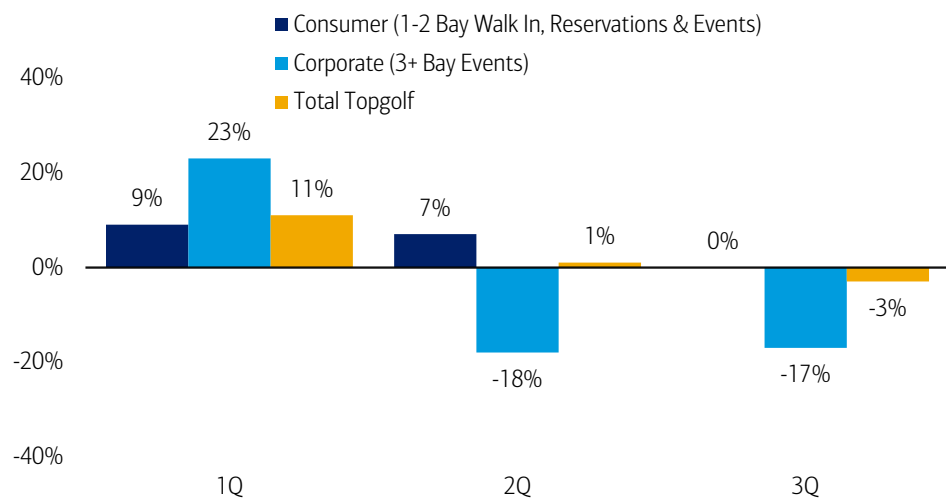
Source: Placer

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- We believe Topgolf (MODG) should benefit from easy corporate events comps beginning in 2Q24

Exhibit 13: Topgolf 2023 quarterly same-venue sales

Topgolf should benefit from easy corporate events comps in 2H24



Source: Company Filings

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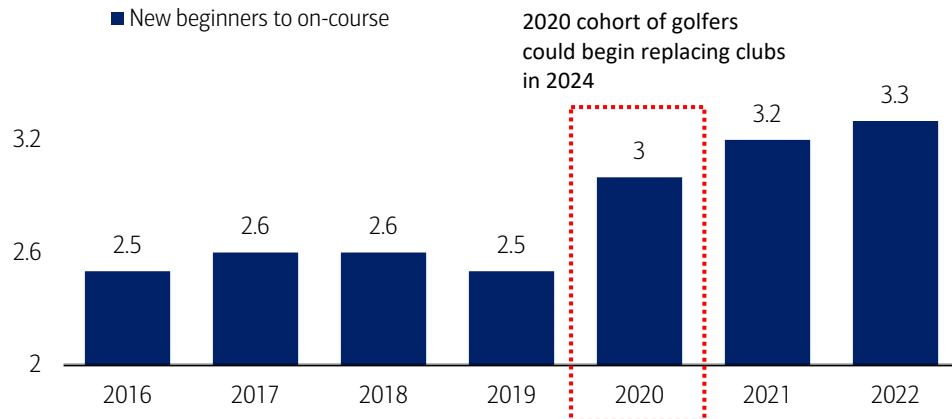
Replacement cycle tailwind an offset to big ticket pressure

We believe big ticket Solitary Leisure categories (e.g. golf equipment & bikes) are better positioned compared to other high ticket discretionary categories given replacement cycle tailwinds. We estimate 4-5 year replacement cycles for many Solitary Leisure categories including golf clubs & bikes and believe a large cohort of new participants during COVID may begin upgrading from entry level purchases in 2020.

We see benefits as 3mm new beginners took up golf for the first time and 2020, and assuming 4-5 year replacement cycles could begin upgrading clubs in 2024.

Exhibit 14: New beginners to on-course golf (mm)

We estimate 3mm beginners from 2020 could begin replacing golf clubs

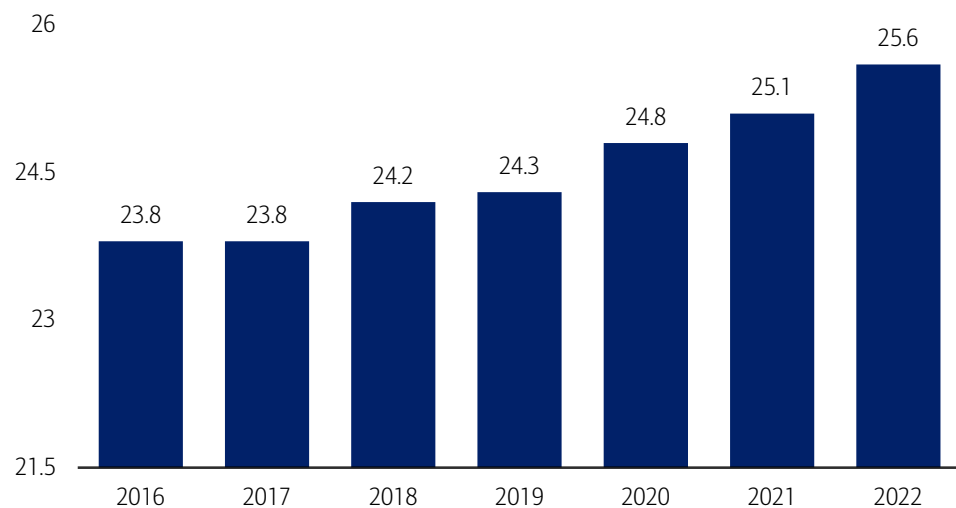


Source: NGF

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Exhibit 15: Total on-course participants (mm)

Total on-course participation continues to rise



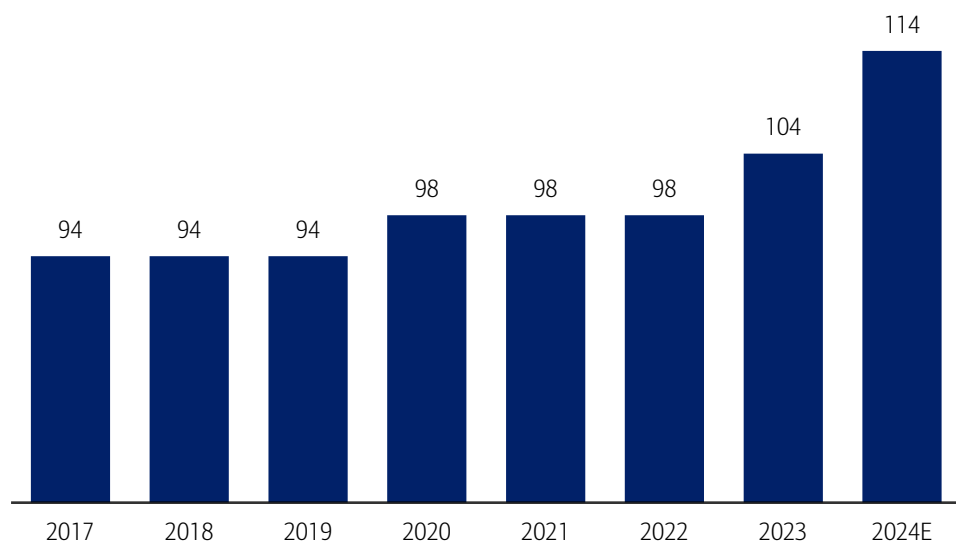
Source: NGF

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- We see benefits as retailers incl. DKS continue to expand their offering (10 new Golf Galaxy performance centers planned in 2024)

Exhibit 16: Total Golf Galaxy Centers

DKS continues to expand their golf offering

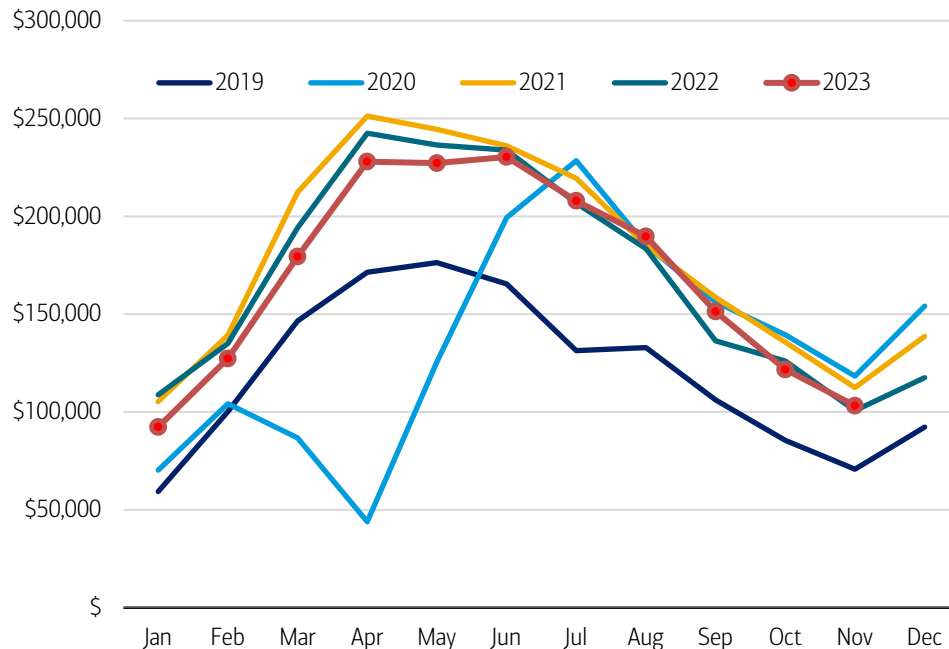


Source: Company Filings

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Exhibit 17: Overall U.S. Golf Club Sales (\$000s)

Golf Club Sales continue to track well above pre-COVID levels



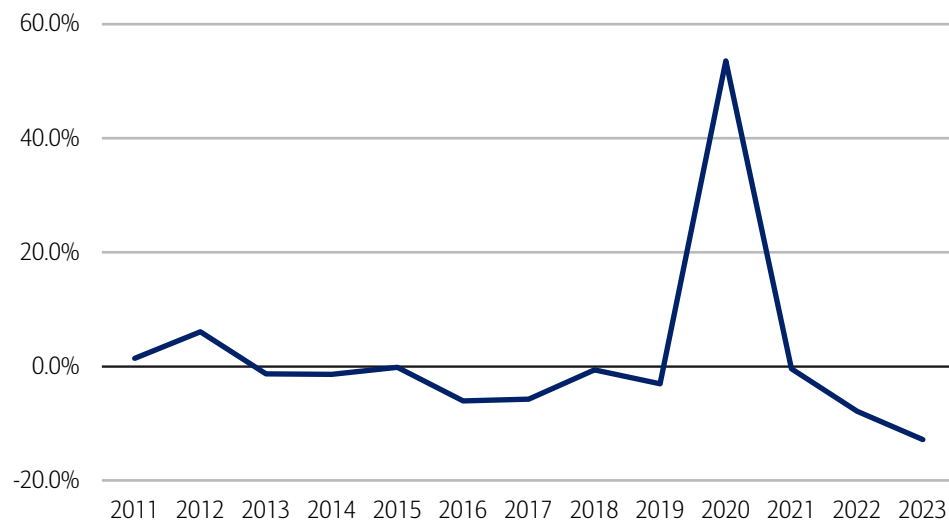
Source: Golf DataTech

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- We see potential replacement cycle tailwinds for bicycles as the industry laps 3 years of y/y declines following the significant uptick in 2020. [BofA Analyst Ronald Leung hosted a bicycle expert at Specialized Bicycle Components](#) (see report) who expects 20% growth in the U.S. in 2024 for bike sales as channel inventory continues to improve. We believe FOXF should be a key beneficiary of improving bike sales.

Exhibit 18: y/y % change in bike store sales according to BAC aggregated credit and debit card data

Spending at bikes stores has been negative in 2021-2023



Source: BAC internal data

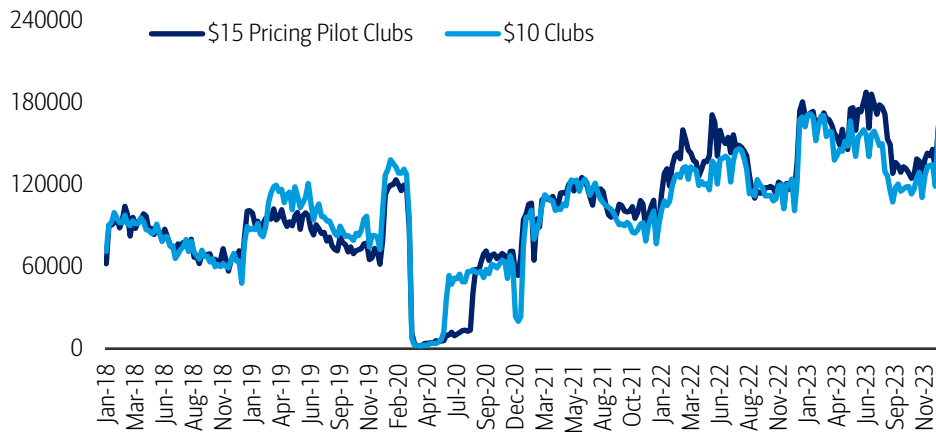
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Expect strong year for fitness & wellness

We expect a strong year for fitness clubs including PLNT & LTH given pricing tailwinds including a potential move to \$15/month for PLNT's entry level membership. We estimate \$0.05+ of incremental annual EPS from existing club base assuming historical churn rates, and further upside if Black Card penetration increases (as spread with \$25 membership narrows). We believe price increases, benefits from PLNT's [new store economic model](#), and new digital advertising opportunities should accelerate franchisee returns in 2024 and unit growth in 2025. For LTH, membership demand continues to exceed desired capacity leading to additional price increases, enrollment fees, and waitlists in 2024. We see early signs of benefits [from increased usage of GLP-1 drugs](#) for weight loss which are often supplemented with exercise programs.

Exhibit 19: Estimated Foot Traffic for cohort of clubs in \$15 Pricing Pilot vs. \$10 Month Clubs for Classic Card (Total 30 clubs)

We have not seen a significant divergence in traffic for clubs in PLNT's \$15 pricing pilot



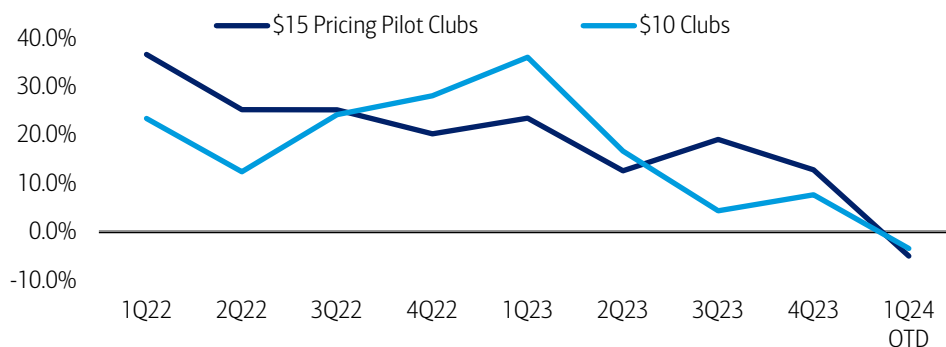
Source: Placer

*Clubs in NY, MA, PA, NJ were analyzed

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Exhibit 20: y/y % change in foot traffic for cohort of clubs in \$15 Pricing Pilot vs. \$10 Month Clubs for Classic Card (Total 30 clubs) through Jan. 14th

We see no significant divergence in traffic trends between the two cohorts, but both have a calendar headwind in Jan. (1 less sign up day vs. last year)



Source: Placer

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- We estimate \$0.05 of incremental annual EPS from existing clubs if PLNT moves to \$15/month pricing, assuming flat memberships, no change in churn rate (3% monthly), and no change in Black Card penetration. The full impact would be higher if new clubs entered at \$15 / month. We estimate PLNT franchisees could see a 1% membership decline and still see similar dues if traffic declines in \$15/month clubs

Exhibit 21: Illustrative analysis for \$10 month pricing vs. \$15 month pricing for classic card

We estimate a pricing change at existing clubs could conservatively add \$0.05 to EPS

\$10/Month Pricing

	Members	Black Card Income	Classic Card Income
4Q	7,262		
1Q	7,400	\$ 315,602	\$ 75,775
2Q	7,443	\$ 314,978	\$ 77,213
3Q	7,406	\$ 315,411	\$ 76,017
4Q	7,262	\$ 307,754	\$ 75,155
		1,253,745	304,159
Annual Dues			\$ 1,557,904
Planet Royalty Income			109,053.31

\$15 Month Pricing

	Members	Black Card Income	Classic Card Income
4Q23	7,262		
1Q24	7,400	\$ 315,602	\$ 80,285
2Q24	7,443	\$ 314,978	\$ 81,214
3Q24	7,406	\$ 315,411	\$ 79,613
4Q24	7,262	\$ 307,754	\$ 78,095
		1,253,745	319,208
Annual Dues			\$1,572,953
Planet Royalty Income			\$110,106.72
Additional Royalty Income			\$1,053
Franchise Clubs			2,323
Additional Franchise Royalty Income			\$2,447,072
Additional Corporate Store Income			\$15,049
Corporate Clubs			252
Additional Corporate Club Revenue			\$3,792,277

Source: BofA Global Research

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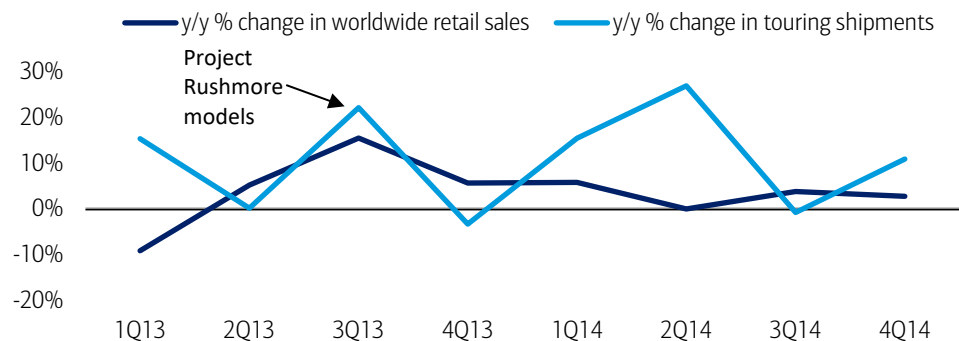
New innovation & product mix position HOG well for 2024

We believe HOG is well positioned for 2024 given a potential cascading of well-received and higher margin CVO innovation into the broader touring lineup with potential upgrades to the engine, suspension, and front fairing treatments. HOG last significant product refresh for its touring lineup was Project Rushmore which launched in August 2013 (model year 2014), following the 110th anniversary (HOG celebrated its 120th anniversary event in July 2023). Project Rushmore led to a 16% increase in touring shipments in the year following the launch, and 6% increase in global retail sales despite the absence of popular Road Glide models.

*“The results at retail speak for themselves. In the initial 45 days at retail since launch, the **Rushmore motorcycles sparked the largest year over year new model sales increase in 20 years.**” – 3Q13 (10/22/2013) Earnings Call, Keith Wandell, Former CEO Harley-Davidson*

Exhibit 22: HOG y/y % change in quarterly global retail sales & touring shipments

Project Rushmore touring redesign led to a 16% increase in touring shipments, and 6% increase in global retail for 3Q13-2Q14, despite the



Source: Company Filings

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Exhibit 23: Key innovation in 2023 CVO models

We see the potential cascading of 2023 CVO innovation into the broader 2024 touring lineup

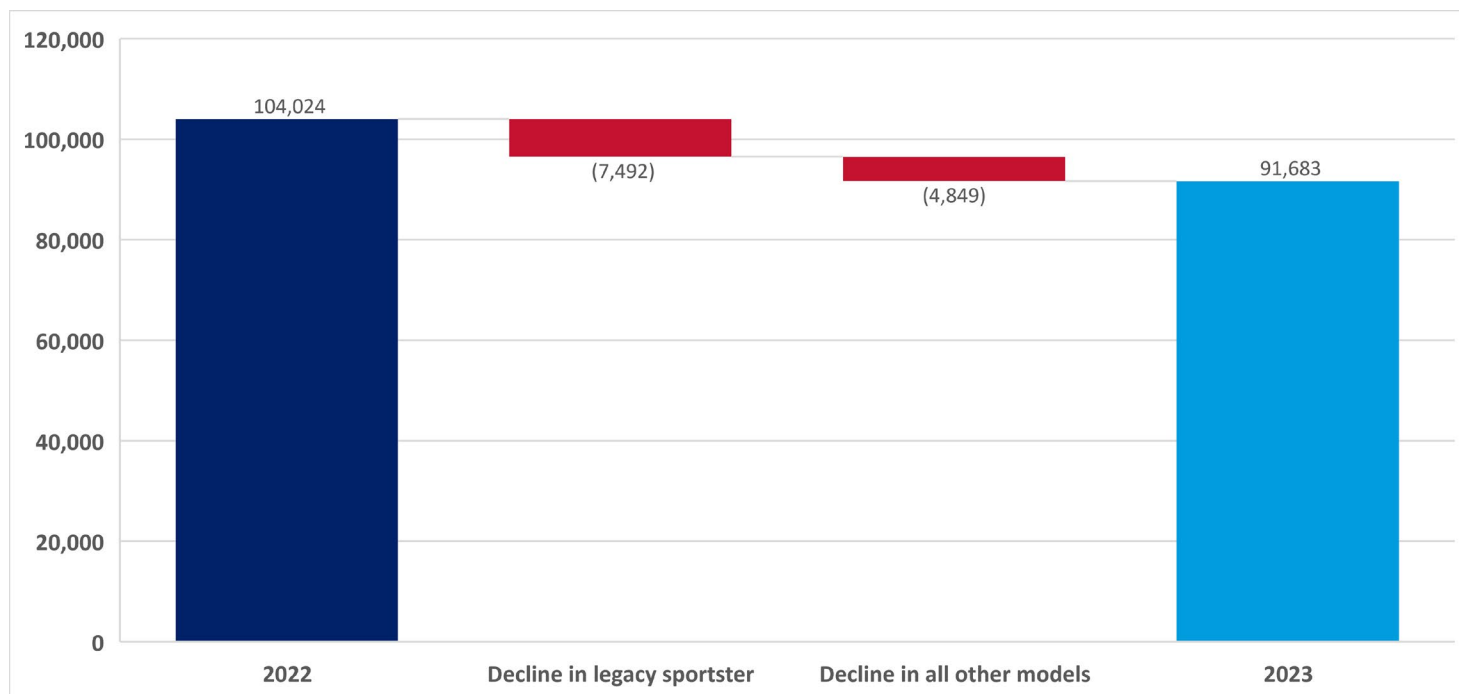
Component	2023 CVO Innovation
Engine	New Milwaukee-Eight VVT 121 engine
Suspension	New Showa Suspension
Entertainment	New Infotainment touchscreen that is 90% larger
Front Faring	Updated streamlined fairing with integrated split stream vent
Seat	Redesigned seat and padding
Weight	30-35 pounds lighter vs. prior models

Source: BofA Global Research

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Exhibit 24: 2023 vs. 2022 Year-to-Date Harley Davidson Motorcycle Registrations (thru November)

We estimate more than half of the year to date retail sales decline was from the discontinuation of legacy sportster models

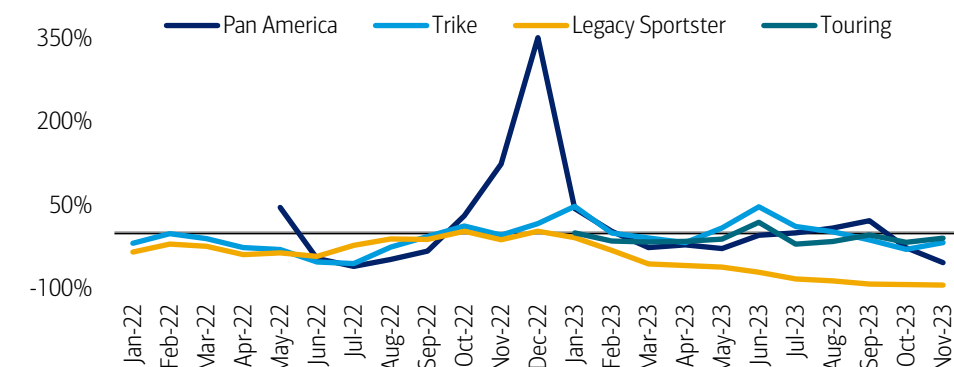


Source: IHS

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Exhibit 25: Y/Y% change in HOG new U.S. Registrations for Pan America, Trike, and Legacy Sportsters

Trike models have generally outperformed in 2023



Source: I.H.S.

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Exhibit 26: Stocks mentioned

Rating and price summary

BofA Ticker	Bloomberg ticker	Company name	Price	Rating
FOXF	FOXF US	Fox Factory Holding	US\$ 64.8	C-1-9
HOG	HOG US	Harley-Davidson	US\$ 33.62	B-1-7
LTH	LTH US	Life Time	US\$ 13.46	C-1-9
PLNT	PLNT US	Planet Fitness, Inc.	US\$ 73.82	B-1-9
MODG	MODG US	Topgolf Callaway	US\$ 13.4	C-1-9

Source: BofA Global Research

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Disclaimer and Methodology regarding BAC card data

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

Methodology explained

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

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

Please note we calculate % change (both y/y & 4 yr.) by matching the corresponding day of the week.

The monthly subsector data are adjusted to control for seasonality and other factors.

Additional information about the methodology used to aggregate the data is available upon request



Price objective basis & risk

Fox Factory Holding Corp (FOXF)

Our \$95 price objective is based on 18-19x our 2025E EPS estimate of \$5.10. We believe a multiple at high end of range for other comparable bicycle, powersports and active lifestyle companies (trading at 15-20x) is warranted given FOXF's premium brand positioning, consistent history of product development, market share leadership position in the growing mountain bike suspension market, high return on invested capital (ROIC), supporting solid free cash flow generation, and highly defensible customer-focused business model.

Upside risks are accretive M&A, acceleration in end markets and better-than-expected share gains.

Downside risks are a slowdown in cycling or recreational vehicles demand could hurt demand for new components including suspension, key customer risk, and investments in R&D will likely mute SGA leverage, foreign currency translation risks, competition could pressure sales and margins, execution risks associated with manufacturing transition to Taiwan, integration of M&A could take longer than expected, acquisition opportunities might not materialize, and entry into new geographies or categories could be challenging.

Harley-Davidson (HOG)

Our \$40 PO is based on 8-9x our F24 adj. EPS of \$4.60 (including Livewire), slightly below its historical multiple of 10-15x given: (1) potential EPS upside on new model launches, (2) accelerating brand momentum, supported by a reset to a "Pull" market strategy (under new CEO Jochen Zeitz), (3) newly established leadership in Electric motorcycles and the creation of a dedicated EV division, and (4) the long-term opportunities for motorcycle division EBIT margin recovery to peak 15%+ and stronger International growth (incl. China).

Risks to the downside are (1) Aggregate on-highway new motorcycle units have been challenged historically, (2) The timing of a launch of a premium low displacement motorcycle for China remains uncertain, (3) Rider safety remains a top concern for new joiners, and (4) HOG global dealerships are declining.

Life Time (LTH)

Our \$20 PO is based on an enterprise value of 9-10X our F24 adj. EBITDA estimate of \$594.0mn, a valuation more in line with other Best-in-Class Experience Membership Models.

Risks to the downside are: (1) Life Time operates in a highly competitive U.S. market with other luxury fitness providers including Equinox, high-end boutique fitness studios including F45 & Xponential Fitness, and other fitness/experience based membership models incl. country clubs, (2) rise in COVID-19 case counts could pressure Life Time recovery trends especially if case counts continue to pressure consumer sentiment, (3) strong momentum during the peak new member sign up period of mid-December/January is important for Centers to achieve strong results for the full new year, (4) Continued rise of at home fitness, including Peloton, could pressure demand for in-center fitness models, and (5) New Center construction/opening delays could push off timing of contribution from new Centers vs. current model expectations.

Planet Fitness, Inc. (PLNT)

Our \$90 price objective is based on an EV of 17-18x our 2025E EBITDA estimate, at the high-end of a broader group of highly franchised companies (10-20x EV/EBITDA). We believe a multiple at the high-end of the average for franchise peers is justified for Planet Fitness, given: (1) significant club growth opportunity and rising royalty rate, (2) differentiated business model that should continue to gain share and grow the market by targeting underserved consumers, and (3) growth in its equipment segment.

Downside risks to our PO are: 1) the fitness club industry is competitive, 2) execution risks related to club growth, 3) risks associated with franchise model, 4) PLNT's brand image is key to retaining and attracting new members, 5) high financial leverage, 6) a challenging macroeconomic environment could pressure membership growth, & 7) same-store sales growth is largely dependent on expanding membership base.

Topgolf Callaway Brands Corp (MODG)

Our \$18 price objective is based on an enterprise value of 8-9x our C2024 adj. EBITDA estimate of \$620MM, a premium to other Leisure Brands & Experience models (trading at 7x) reflecting stickiness in new customer acquisition and pricing opportunity across both golf equipment and Topgolf.

Risks to the downside are: 1) tough comparisons as MODG laps surge in demand for golf equipment, (2) slowdown in golf participation as consumers return to other forms of entertainment in a post-COVID environment, (3) resurgence in COVID-19 cases could pressure recovery trends for Topgolf, and (4) risk from increasing supply chain headwinds including from Vietnam Factory shutdowns, elevated freight costs, & rising raw material input costs.

Analyst Certification

I, Alexander Perry, 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 - Broadlines, Hardlines, Food Retailers & Leisure Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Academy Sports + Outdoors	ASO	ASO US	Robert F. Ohmes, CFA
	BJ's Wholesale Club Holdings	BJ	BJ US	Robert F. Ohmes, CFA
	Costco Wholesale Corporation	COST	COST US	Robert F. Ohmes, CFA
	Fox Factory Holding Corp	FOXF	FOXF US	Alexander Perry
	Grocery Outlet Holding Corp.	GO	GO US	Robert F. Ohmes, CFA
	Harley-Davidson	HOG	HOG US	Alexander Perry
	Life Time	LTH	LTH US	Alexander Perry
	Planet Fitness, Inc.	PLNT	PLNT US	Alexander Perry
	Sysco Corporation	SY	SY US	Kendall Toscano
	Target Corp.	TGT	TGT US	Robert F. Ohmes, CFA
	The Kroger Co.	KR	KR US	Robert F. Ohmes, CFA
	Topgolf Callaway Brands Corp	MODG	MODG US	Alexander Perry
	Walmart Inc	WMT	WMT US	Robert F. Ohmes, CFA
NEUTRAL				
	Dick's Sporting Goods	DKS	DKS US	Robert F. Ohmes, CFA
	Xponential Fitness	XPOF	XPOF US	Alexander Perry
	YETI Holdings, Inc.	YETI	YETI US	Robert F. Ohmes, CFA
UNDERPERFORM				
	Canada Goose Holdings Inc	YGOOS	GOOS CN	Alexander Perry
	Canada Goose Holdings Inc	GOOS	GOOS US	Alexander Perry
	Columbia Sportswear	COLM	COLM US	Alexander Perry
	Dollar General Corporation	DG	DG US	Robert F. Ohmes, CFA
	Dollar Tree, Inc.	DLTR	DLTR US	Robert F. Ohmes, CFA
	Hibbett Sports, Inc.	HIBB	HIBB US	Alexander Perry
	National Vision	EYE	EYE US	Robert F. Ohmes, CFA
	Sprouts Farmers Market, Inc.	SFM	SFM US	Robert F. Ohmes, CFA

Disclosures

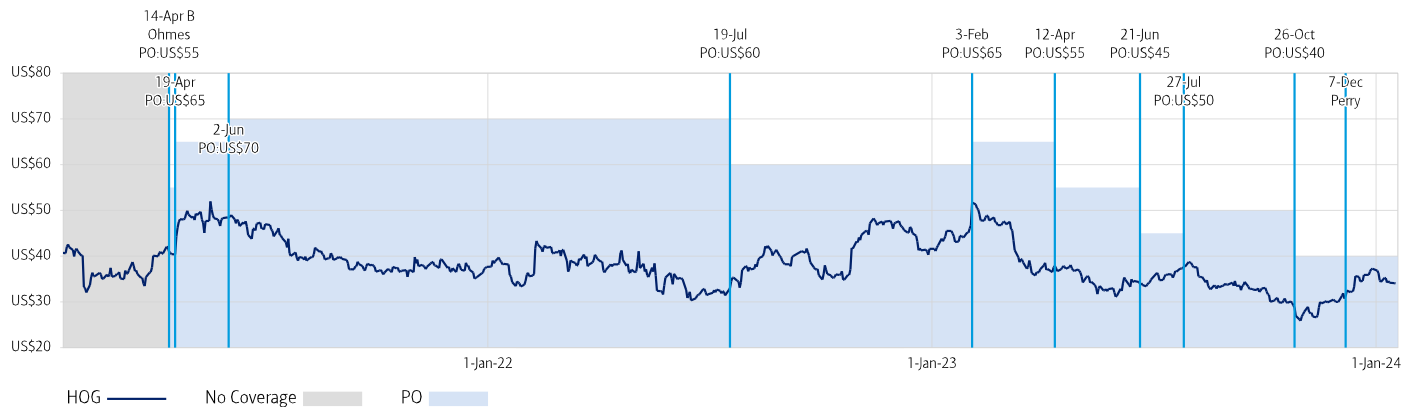
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Fox Factory Holding (FOXF) Price Chart



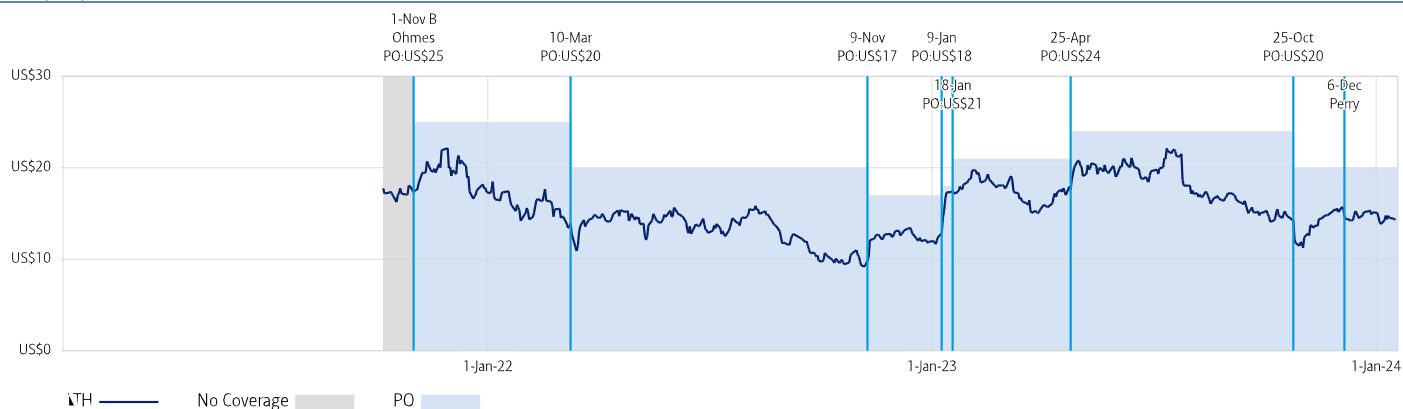
B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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Harley-Davidson (HOG) Price Chart

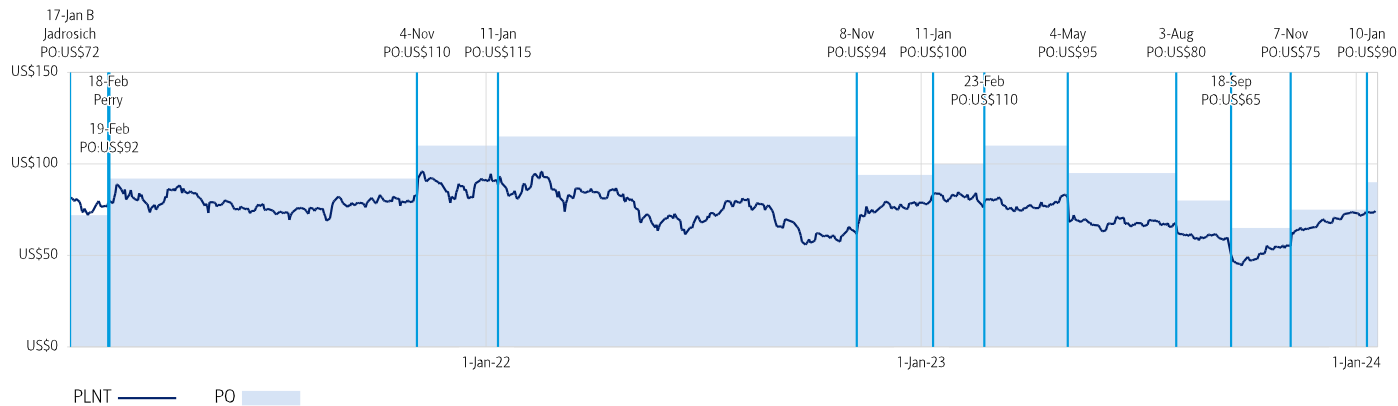
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Life Time (LTH) Price Chart

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

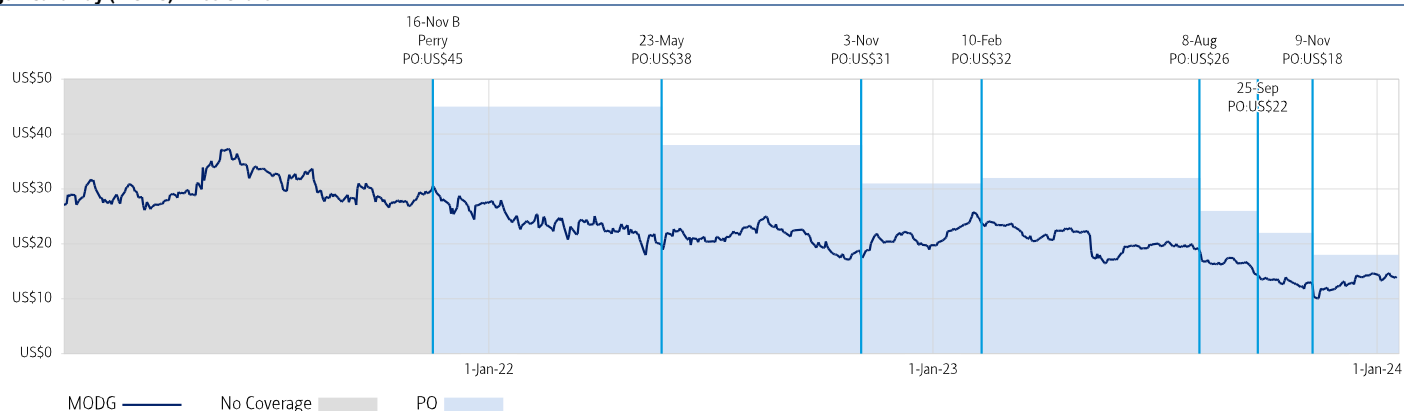
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Planet Fitness, Inc. (PLNT) Price Chart

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

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Topgolf Callaway (MODG) Price Chart



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

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	16	55.17%	Buy	9	56.25%
Hold	7	24.14%	Hold	5	71.43%
Sell	6	20.69%	Sell	4	66.67%

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}
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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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