

McCormick & Co.

Sometimes “mild” is just fine; raising estimates and PO post 4Q23

Reiterate Rating: BUY | PO: 82.00 USD | Price: 68.23 USD

Raising estimates flowing through 4Q23's beat

We view yesterday's positive stock reaction (+4.3%) post 4Q23 results as a reflection of 1) gross margin upside in 4Q which now serves as a higher starting point for FY24 estimates and 2) a relatively prudent FY24 sales and EPS outlook. MKC acknowledged volume/share issues in some of its core categories and is addressing through increased marketing, promo/merchandizing & managing price gap on core items like Black Pepper, Vanilla & recipe mixes in the US. In our view, this should help recapture share from both private label & insurgent branded competitors. We raise our FY24/25 adj. EPS to \$2.80 & \$3.00 from \$2.70 & \$2.90 respectively & introduce FY26 adj. EPS estimate of \$3.15. While greatest pushback we receive is on multiple expansion from here, we believe an inflection in scanner data over the next few months could drive a re-rating. Reit Buy.

Quarterly puts and takes for FY24 by sub-segment

Americas Consumer: Hispanic Peppers DSD (direct store distribution) exit impacts 1Q (~2pt hit). Though recent Nielsen data has yet to show meaningful volume improvement, we model a sequential step up. In 4Q, EMEA saw greater volume softness than expected in both Consumer and Flavor Solutions from elevated pricing and MKC anticipates this softness to continue into FY24. Recall that EMEA Flavor Solutions will also see a ~3pt hit in 1-3Q24 each from the Giotti canning divestiture and a 1-2pt hit in 1Q24 volumes from exiting private label business. APAC Consumer is expected to see slower demand in 1H24 with China consumer sales comparable to 2023 for the year.

Other modeling callouts for FY24 & 1Q24

Gross margin expansion of +50-100bps reflect cost savings initiatives, improved cost inflation outlook (LSD for FY24, HSD in 1Q) and a benefit in 2H24 from reducing dual running costs in the UK. Brand marketing spend is expected to increase HSD in FY24, concentrated in 1H24 and weighted towards 1Q24.

Reiterate Buy & raise PO to \$82

Reiterate Buy rating and raise our PO to \$82 from \$80 now based on a CY2025e P/E multiple of 27x (prior 28x), within its five-year historical valuation range of 19x-42x and in-line with average of 29.5x. Our lowered multiple reflects a tempered view around US volume recovery, which when achieved could mean multiple expansion from here.

Estimates (Nov) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	2.53	2.69	2.80	3.00	3.15
GAAP EPS	2.52	2.52	2.80	3.00	3.15
EPS Change (YoY)	-17.0%	6.3%	4.1%	7.1%	5.0%
Consensus EPS (Bloomberg)			2.86	3.08	3.34
DPS	1.50	1.59	1.69	1.79	1.89
Valuation (Nov)					
P/E	27.0x	25.4x	24.4x	22.7x	21.7x
GAAP P/E	27.1x	27.1x	24.4x	22.7x	21.7x
Dividend Yield	2.2%	2.3%	2.5%	2.6%	2.8%
EV / EBITDA*	18.4x	16.7x	16.4x	15.8x	15.3x
Free Cash Flow Yield*	2.1%	5.3%	3.0%	3.7%	3.9%

* For full definitions of *iQmethod*SM measures, see page 5.

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Timestamp: 26 January 2024 10:44AM EST

26 January 2024

Equity

Key Changes

(US\$)	Previous	Current
Price Obj.	80.00	82.00
2024E Rev (m)	6,732.4	6,627.5
2025E Rev (m)	6,917.5	6,809.8
2026E Rev (m)	NA	6,997.1
2024E EPS	2.70	2.80
2025E EPS	2.90	3.00
2026E EPS	NA	3.15
2024E DPS	1.68	1.69

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Stock Data

Price	68.23 USD
Price Objective	82.00 USD
Date Established	26-Jan-2024
Investment Opinion	B-1-7
52-Week Range	59.13 USD - 94.39 USD
Mrkt Val (mn) / Shares Out (mn)	18,408 USD / 269.8
Free Float	98.4%
Average Daily Value (mn)	129.15 USD
BofA Ticker / Exchange	MKC / NYS
Bloomberg / Reuters	MKC US / MKC.N
ROE (2024E)	14.4%
Net Dbt to Eqty (Nov-2023A)	83.5%
ESGMeter™	High

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".

iQprofileSM McCormick & Co.

iQmethodSM – Bus Performance*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Return on Capital Employed	6.5%	7.3%	7.5%	7.6%	7.7%
Return on Equity	15.0%	14.9%	14.4%	14.6%	14.4%
Operating Margin	14.4%	15.4%	15.9%	16.1%	16.4%
Free Cash Flow	390	973	550	687	724

iQmethodSM – Quality of Earnings*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash Realization Ratio	1.0x	1.7x	1.1x	1.2x	1.2x
Asset Replacement Ratio	1.3x	1.3x	1.4x	1.3x	1.3x
Tax Rate	20.9%	22.0%	22.1%	22.0%	22.0%
Net Debt-to-Equity Ratio	102.5%	83.5%	76.6%	68.3%	60.6%
Interest Cover	6.2x	4.9x	5.2x	5.8x	6.0x

Income Statement Data (Nov)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Sales	6,351	6,662	6,628	6,810	6,997
% Change	0.5%	4.9%	-0.5%	2.8%	2.8%
Gross Profit	2,275	2,503	2,541	2,624	2,714
% Change	-9.2%	10.0%	1.5%	3.3%	3.4%
EBITDA	1,265	1,387	1,416	1,470	1,519
% Change	-10.3%	9.7%	2.1%	3.8%	3.4%
Net Interest & Other Income	(100)	(164)	(169)	(146)	(146)
Net Income (Adjusted)	684	727	756	810	849
% Change	-17.0%	6.3%	3.9%	7.2%	4.8%

Free Cash Flow Data (Nov)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Income from Cont Operations (GAAP)	646	671	691	743	780
Depreciation & Amortization	201	199	210	210	210
Change in Working Capital	(256)	269	(94)	(19)	(19)
Deferred Taxation Charge	22	(5)	0	0	0
Other Adjustments, Net	39	103	34	33	33
Capital Expenditure	(262)	(264)	(290)	(280)	(280)
Free Cash Flow	390	973	550	687	724
% Change	-29.2%	149.9%	-43.5%	24.9%	5.3%
Share / Issue Repurchase	3	(19)	20	20	20
Cost of Dividends Paid	(397)	(417)	(455)	(482)	(511)
Change in Debt	(74)	(737)	0	0	0

Balance Sheet Data (Nov)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash & Equivalents	334	167	282	507	740
Trade Receivables	574	588	599	616	633
Other Current Assets	1,479	1,248	1,297	1,325	1,353
Property, Plant & Equipment	1,198	1,325	1,405	1,475	1,545
Other Non-Current Assets	9,540	9,536	9,552	9,569	9,586
Total Assets	13,125	12,862	13,135	13,492	13,857
Short-Term Debt	1,507	1,072	1,072	1,072	1,072
Other Current Liabilities	1,925	2,027	1,994	2,020	2,046
Long-Term Debt	3,642	3,340	3,340	3,340	3,340
Other Non-Current Liabilities	1,351	1,340	1,340	1,340	1,340
Total Liabilities	8,426	7,779	7,746	7,772	7,798
Total Equity	4,699	5,084	5,389	5,720	6,059
Total Equity & Liabilities	13,125	12,862	13,135	13,492	13,857

* For full definitions of iQmethodSM measures, see page 5.

Company Sector

Food Processors

Company Description

With around \$6.6b in annual sales, McCormick is a leader in the global spices, seasonings and flavors industry. The company operates in two business segments: Consumer (57% of total sales) and Flavor Solutions (43%). MKC is one of the most geographically diverse companies within our coverage universe, with 40% of sales outside of the United States across 150 different countries.

Investment Rationale

We rate MKC shares at Buy. We expect FY24 to begin to see volume growth as it laps easy compares and executes on its initiatives. We also expect MKC to build on the gross margin expansion momentum we saw in FY23 as cost inflation continues to ease. Our Buy rating is predicated on relative valuation to the market and peers.

Stock Data

Average Daily Volume 1,892,929

Quarterly Earnings Estimates

	2023	2024
Q1	0.59A	0.56E
Q2	0.60A	0.57E
Q3	0.65A	0.73E
Q4	0.85A	0.94E

Income statement

Exhibit 1: MKC summary income statement

We raise our FY24 adj. EPS estimate to \$2.80

	Nov-22	Feb-23	May-23	Aug-23	Nov-23	Nov-23	Feb-24	May-24	Aug-24	Nov-24	Nov-24	Nov-25	Nov-26
Nov Year End	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24E	2Q24E	3Q24E	4Q24E	2024E	2025E	2026E
Net Sales	\$6,350.5	\$1,565.5	\$1,659.2	\$1,684.7	\$1,752.8	\$6,662.2	\$1,548.8	\$1,624.0	\$1,681.0	\$1,773.8	\$6,627.5	\$6,809.8	\$6,997.1
Cost of Goods Sold	4,076.0	1,002.6	1,043.7	1,061.9	1,051.5	4,159.7	983.5	1,021.5	1,040.5	1,041.2	4,086.7	4,185.5	4,283.1
Gross Profit	\$2,274.5	\$562.9	\$615.5	\$622.8	\$701.3	\$2,502.5	\$565.3	\$602.5	\$640.4	\$732.6	\$2,540.8	\$2,624.3	\$2,714.0
Selling General & Administrative	1,357.1	336.1	380.5	371.7	390.0	1,478.3	348.5	381.6	367.3	387.6	1,485.0	1,525.8	1,567.8
Operating income (adjusted)	\$917.4	\$226.8	\$235.0	\$251.1	\$311.3	\$1,024.2	\$216.8	\$220.9	\$273.2	\$345.0	\$1,055.9	\$1,098.5	\$1,146.2
Interest expense	149.1	50.6	52.2	52.7	52.7	208.2	51.1	51.1	51.1	51.1	204.2	190.2	190.2
Other income (expense), net	48.7	11.1	12.5	7.1	13.2	43.9	8.8	8.8	8.8	8.8	35.0	44.0	44.0
Earnings before income taxes	\$817.0	\$187.3	\$195.3	\$205.5	\$271.8	\$859.9	\$174.5	\$178.6	\$230.9	\$302.7	\$886.6	\$952.3	\$1,000.0
Income tax expense	170.9	40.9	43.5	44.0	60.6	189.0	40.1	41.1	49.6	65.1	195.9	209.5	220.0
Adjusted net income from consolidated ops	\$646.1	\$146.4	\$151.8	\$161.5	\$211.2	\$670.9	\$134.4	\$137.5	\$181.2	\$237.6	\$690.7	\$742.8	\$780.0
Income from unconsolidated ops	37.8	14.0	10.3	13.4	18.7	56.4	16.3	16.3	16.3	16.3	65.0	67.0	69.0
Net income attributable to MKC	\$683.9	\$160.4	\$162.1	\$174.9	\$229.9	\$727.3	\$150.6	\$153.7	\$197.5	\$253.9	\$755.7	\$809.8	\$849.0
Non-recurring items	(1.9)	(21.3)	(10.0)	(4.8)	(10.6)	(46.7)	-	-	-	-	-	-	-
GAAP net income	\$682.0	\$139.1	\$152.1	\$170.1	\$219.3	\$680.6	\$150.6	\$153.7	\$197.5	\$253.9	\$755.7	\$809.8	\$849.0
GAAP EPS	\$45.36	\$2.52	\$0.52	\$0.56	\$0.63	\$0.81	\$2.52	\$0.56	\$0.57	\$0.73	\$0.94	\$2.80	\$3.00
Adjusted EPS	\$2.53	\$0.59	\$0.60	\$0.65	\$0.85	\$2.69	\$0.56	\$0.57	\$0.73	\$0.94	\$2.80	\$3.00	\$3.15
VA Consensus							\$0.58	\$0.61	\$0.71	\$0.92	\$2.82	\$3.03	\$3.30
Weighted avg diluted shares	270.3	269.8	269.8	270.1	269.9	269.9	269.9	269.9	269.9	269.9	269.9	269.9	269.9
Dividends Per share	\$1.50	\$0.39	\$0.39	\$0.39	\$0.42	\$1.59	\$0.41	\$0.41	\$0.41	\$0.45	\$1.69	\$1.79	\$1.89
YoY growth Dividend	10%	5%	5%	5%	8%	6%	6%	6%	6%	6%	6%	6%	6%
EBITDA calculation													
Adjusted Operating Profit (revenue driver)	\$917.4	\$226.8	\$235.0	\$251.1	\$311.3	\$1,024.2	\$223.8	\$232.2	\$267.3	\$331.7	\$1,055.0	\$1,104.4	\$1,152.3
Adjusted Operating Profit	\$917.4	\$226.8	\$235.0	\$251.1	\$311.3	\$1,024.2	\$216.8	\$220.9	\$273.2	\$345.0	\$1,055.9	\$1,098.5	\$1,146.2
(+) Other income	48.7	11.1	12.5	7.1	13.2	43.9	8.8	8.8	8.8	8.8	35.0	44.0	44.0
(+) Income from unconsolidated ops	37.8	14.0	10.3	13.4	18.7	56.4	16.3	16.3	16.3	16.3	65.0	67.0	69.0
(+) Stock-based comp	60.3	11.8	26.7	12.6	12.3	63.4	12.5	12.5	12.5	12.5	50.0	50.0	50.0
Adjusted EBIT	\$1,064.2	\$263.7	\$284.5	\$284.2	\$355.5	\$1,187.9	\$254.3	\$258.4	\$310.7	\$382.5	\$1,205.9	\$1,259.5	\$1,309.2
(+) Depreciation & Amortization	200.6	47.8	48.8	53.8	48.9	199.3	52.5	52.5	52.5	52.5	210.0	210.0	210.0
Adjusted EBITDA	\$1,264.8	\$311.5	\$333.3	\$338.0	\$404.4	\$1,387.2	\$306.8	\$310.9	\$363.2	\$435.0	\$1,415.9	\$1,469.5	\$1,519.2
Margin Analysis		-86.60	113.96	-12.82	304.23		-351.03	60.00	100.00	320.00			
Gross Margin	35.8%	36.0%	37.1%	37.0%	40.0%	37.6%	36.5%	37.1%	38.1%	41.3%	38.3%	38.5%	38.8%
Total SG&A % Sales	21.4%	21.5%	22.9%	22.1%	22.3%	22.2%	22.5%	23.5%	21.9%	21.9%	22.4%	22.4%	22.4%
Operating Margin	14.4%	14.5%	14.2%	14.9%	17.8%	15.4%	14.0%	13.6%	16.3%	19.5%	15.9%	16.1%	16.4%
Operating Margin (revenue driver)	14.4%	14.5%	14.2%	14.9%	17.8%	15.4%	14.4%	14.3%	15.9%	18.7%	15.9%	16.2%	16.5%
Adjusted EBIT margin	16.8%	16.8%	17.1%	16.9%	20.3%	17.8%	16.4%	15.9%	18.5%	21.6%	18.2%	18.5%	18.7%
Adjusted EBITDA margin	19.9%	19.9%	20.1%	20.1%	23.1%	20.8%	19.8%	19.1%	21.6%	24.5%	21.4%	21.6%	21.7%
Pre-tax Margin	12.9%	12.0%	11.8%	12.2%	15.5%	12.9%	11.3%	11.0%	13.7%	17.1%	13.4%	14.0%	14.3%
Net Margin (continuing ops)	10.2%	9.4%	9.1%	9.6%	12.0%	10.1%	8.7%	8.5%	10.8%	13.4%	10.4%	10.9%	11.1%
Tax rate	20.9%	21.8%	22.3%	21.4%	22.3%	22.0%	23.0%	23.0%	21.5%	21.5%	22.1%	22.0%	22.0%
YoY % Change													
Sales	0.5%	2.8%	8.0%	5.6%	3.4%	4.9%	-1.1%	-2.1%	-0.2%	1.2%	-0.5%	2.8%	2.7%
Gross Profit	-9.2%	0.4%	17.7%	9.9%	12.3%	10.0%	0.4%	-2.1%	2.8%	4.5%	1.5%	3.3%	3.4%
SG&A	-3.3%	0.8%	9.0%	13.3%	12.6%	8.9%	3.7%	0.3%	-1.2%	-0.6%	0.5%	2.8%	2.8%
Operating Profit	-16.7%	-0.1%	35.2%	5.2%	12.0%	11.6%	-4.4%	-6.0%	8.8%	10.8%	3.1%	4.0%	4.3%
Pre-tax Profit	-16.8%	-6.4%	33.4%	-10.1%	12.4%	5.3%	-6.8%	-8.6%	12.3%	11.4%	3.1%	7.4%	5.0%
Net Income (continuing ops)	-17.7%	-8.9%	27.3%	-10.3%	13.5%	3.8%	-8.2%	-9.4%	12.2%	12.5%	3.0%	7.5%	5.0%
Adjusted EPS	-17.1%	-5.4%	25.4%	-6.7%	16.9%	6.5%	-6.1%	-5.2%	13.0%	10.4%	3.9%	7.2%	4.8%

Source: BofA Global Research estimates, MKC

BofA GLOBAL RESEARCH



Price objective basis & risk

McCormick & Co. (MKC)

Our \$82 PO for MKC shares is based on a CY2025e P/E multiple of 27x, within its five-year historical valuation range of 19x-42x and in-line with average of 29.5x. In our view, MKC deserves to trade in-line to its 5 year average multiple given continued China recovery, initiatives to improve Americas Consumer volumes and improved cost outlook and margin trajectory.

Downside risks to our price objective are 1) slower-than-expected category growth, 2) a loss of a major customer, 3) increased competitive activity and expanding price gaps from private label, 4) strengthening of the US dollar, 5) lower-than-expected cost savings/debt paydown, 6) disruption from implementation of the company's new Enterprise Resource Planning (ERP) system.

Upside risks to our price objective: 1) faster-than-expected category growth, 2) rational competitive activity from private label, 3) lack of rotation from growth/momentum stocks to value stocks, 4) a weaker US dollar positively impacting reported international results, 5) greater-than-expected cost savings through its Comprehensive Continuous Improvement (CCI) program.

Analyst Certification

I, Peter T. Galbo, CFA, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

US - Consumables Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	BellRing Brands Inc	BRBR	BRBR US	Bryan D. Spillane
	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
	Celsius Holdings Inc	CELH	CELH US	Jonathan Keypour
	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

US - Consumables Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	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	KLK	KLK US	Peter T. Galbo, CFA

UNDERPERFORM

	Brown-Forman Corporation	BFB	BF/B US	Bryan D. Spillane
	Campbell Soup Company	CPB	CPB US	Peter T. Galbo, CFA
	Canopy Growth	YWEED	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
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iQmethodSM Measures Definitions**Business Performance**

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

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

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill

Amortization

Shareholders' Equity

Sales

N/A

N/A

Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash & Equivalents

EBIT

Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

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

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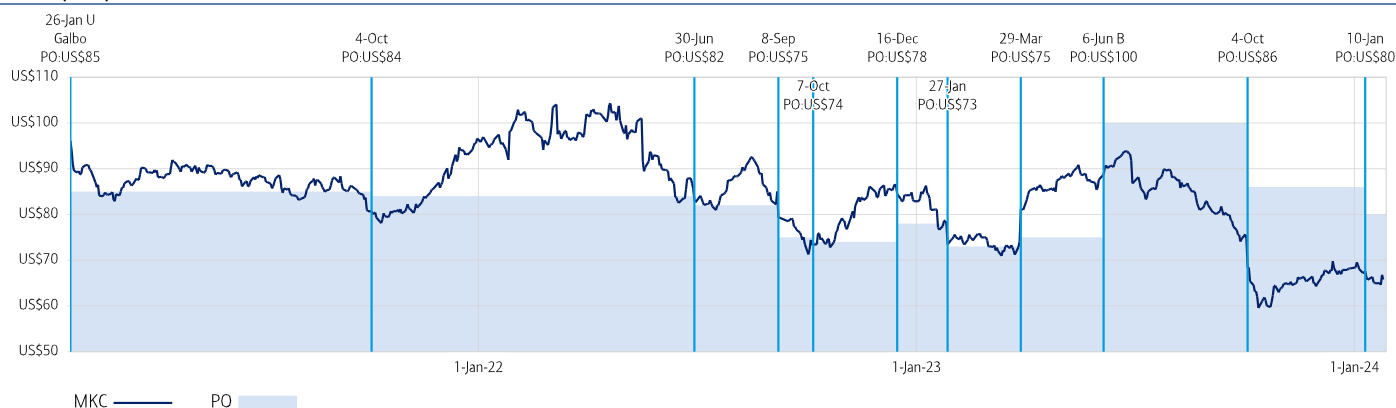
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Equity Investment Rating Distribution: Food Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	33	49.25%	Buy	16	48.48%
Hold	17	25.37%	Hold	10	58.82%
Sell	17	25.37%	Sell	8	47.06%

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

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
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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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Underperform	N/A	≥ 20%

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