

Apple Inc.

## AI News in focus

Maintain Rating: BUY | PO: 225.00 USD | Price: 172.62 USD

## Media reports suggest Apple exploring partnerships for AI

Media reports suggest that Apple is exploring partnerships with Google and has also been in talks with OpenAI regarding the use of Generative AI models to power several features in the iPhone. There have also been reports that Apple has made progress on a multimodal AI with 30bn parameters (see link to research paper). A partnership that can incorporate GenAI features faster into iPhones (software features in 2024) and incremental hardware features in 2025 would be a positive for both Apple and for the potential partner if Apple ends up with an agreement. Maintain Buy on AI driven multi-year upgrade cycle and potential for gross margins to re-rate higher.

## What features could Apple incorporate?

Google Gemini has multiple versions (Ultra, Pro and Nano) that can run in the cloud and on device and vary in complexity and capability. It remains unclear if Apple will choose to leverage a cloud-based model that could potentially have higher latency vs. on device option. We view incremental on-device functions especially in 2025. Potential GenAI features could include an improvement in Siri and also photo and video editing features in iOS18. We also see the potential for integration with conversational features.

## How could a licensing deal work?

Given Apple's installed base of 2.2bn iOS devices (we estimate about 1.2bn of primary and secondary iPhones as part of the total installed base), a licensing deal based on volume of usage could end up being a very significant cost for Apple but a fixed license for any cloud-based usage would not be economical for partners. An on-device fixed charge per device seems most likely but would be more limited in capabilities. Apple could also use this as an approach to speed up time to market, while continuing to develop in-house technologies.

## Apple could go with internal projects as well

Apple has pursued its own Large Language Model (LLM) with Ajax and there have been reports of Apple GPT as well. However, it remains unclear how competitive these projects are relative to third party options. We expect Apple to (as usual) focus on the best user experience, which might be third party based in the near term.

Estimates (Sep) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	6.11	6.13	6.70	7.59	8.16
GAAP EPS	6.12	6.12	6.70	7.59	8.16
EPS Change (YoY)	8.9%	0.3%	9.3%	13.3%	7.5%
Consensus EPS (Bloomberg)			6.61	7.20	7.81
DPS	0.90	0.94	0.99	1.04	1.09
Valuation (Sep)					
P/E	28.3x	28.2x	25.8x	22.7x	21.2x
GAAP P/E	28.2x	28.2x	25.8x	22.7x	21.2x
Dividend Yield	0.5%	0.5%	0.6%	0.6%	0.6%
EV / EBITDA*	20.3x	20.9x	19.5x	17.7x	16.8x
Free Cash Flow Yield*	4.2%	3.7%	3.8%	4.0%	4.3%

\* For full definitions of *iQmethod*<sup>SM</sup> measures, see page 5.

18 March 2024

## Equity

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## Stock Data

Price	172.62 USD
Price Objective	225.00 USD
Date Established	18-Jan-2024
Investment Opinion	B-1-7
52-Week Range	154.15 USD - 199.62 USD
Mrkt Val (mn) / Shares Out (mn)	2,669,032 USD / 15,461.9
Free Float	94.0%
Average Daily Value (mn)	10782.44 USD
BofA Ticker / Exchange	AAPL / NAS
Bloomberg / Reuters	AAPL US / AAPL.OQ
ROE (2024E)	139.3%
Net Dbt to Eqty (Sep-2023A)	130.5%

Gen AI: Generative AI

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Timestamp: 18 March 2024 07:38AM EDT

# iQprofile<sup>SM</sup> Apple Inc.

## iQmethod<sup>SM</sup> – Bus Performance\*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Return on Capital Employed	46.6%	47.5%	48.1%	47.7%	41.7%
Return on Equity	175.5%	171.9%	139.3%	111.3%	77.5%
Operating Margin	32.1%	31.8%	33.2%	33.4%	33.5%
Free Cash Flow	111,443	99,584	100,365	107,672	115,795

## iQmethod<sup>SM</sup> – Quality of Earnings\*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash Realization Ratio	1.2x	1.1x	1.1x	1.1x	1.1x
Asset Replacement Ratio	1.0x	1.0x	1.0x	1.2x	1.2x
Tax Rate	16.2%	14.7%	16.0%	16.0%	16.0%
Net Debt-to-Equity Ratio	190.3%	130.5%	79.5%	44.1%	-2.0%
Interest Cover	NM	NM	NM	NM	NM

## Income Statement Data (Sep)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Sales	394,328	383,285	396,240	434,681	455,001
% Change	7.8%	-2.8%	3.4%	9.7%	4.7%
Gross Profit	172,026	170,452	182,746	200,891	210,842
% Change	11.7%	-0.9%	7.2%	9.9%	5.0%
EBITDA	137,601	133,300	142,919	157,810	166,228
% Change	8.5%	-3.1%	7.2%	10.4%	5.3%
Net Interest & Other Income	(291)	(765)	(253)	(145)	128
<b>Net Income (Adjusted)</b>	<b>99,803</b>	<b>96,995</b>	<b>103,600</b>	<b>114,933</b>	<b>120,936</b>
<b>% Change</b>	<b>5.4%</b>	<b>-2.8%</b>	<b>6.8%</b>	<b>10.9%</b>	<b>5.2%</b>

## Free Cash Flow Data (Sep)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Income from Cont Operations (GAAP)	105,764	103,187	110,214	121,922	128,277
Depreciation & Amortization	11,104	11,519	11,511	12,520	13,645
Change in Working Capital	1,200	(6,577)	(10,603)	(12,885)	(11,599)
Deferred Taxation Charge	895	0	0	0	0
Other Adjustments, Net	3,188	2,414	1,320	1,331	1,398
Capital Expenditure	(10,708)	(10,959)	(12,076)	(15,216)	(15,927)
<b>Free Cash Flow</b>	<b>111,443</b>	<b>99,584</b>	<b>100,365</b>	<b>107,672</b>	<b>115,795</b>
<b>% Change</b>	<b>19.9%</b>	<b>-10.6%</b>	<b>0.8%</b>	<b>7.3%</b>	<b>7.5%</b>
Share / Issue Repurchase	(89,402)	(77,550)	(77,139)	(76,000)	(43,000)
Cost of Dividends Paid	(14,841)	(14,875)	(15,366)	(15,735)	(16,172)
Change in Debt	(4,078)	(5,923)	0	0	0

## Balance Sheet Data (Sep)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash & Equivalents	23,646	29,965	36,295	52,232	108,855
Trade Receivables	28,184	29,508	39,019	46,356	56,612
Other Current Assets	83,575	84,093	85,731	85,885	86,502
Property, Plant & Equipment	42,117	43,715	45,926	50,411	54,643
Other Non-Current Assets	175,233	165,302	166,138	166,707	167,281
<b>Total Assets</b>	<b>352,755</b>	<b>352,583</b>	<b>373,109</b>	<b>401,590</b>	<b>473,892</b>
Short-Term Debt	21,110	15,807	10,000	10,000	10,000
Other Current Liabilities	132,872	129,501	131,138	126,301	126,146
Long-Term Debt	98,959	95,281	95,088	95,088	95,088
Other Non-Current Liabilities	49,142	49,848	50,311	50,322	50,325
<b>Total Liabilities</b>	<b>302,083</b>	<b>290,437</b>	<b>286,537</b>	<b>281,710</b>	<b>281,559</b>
<b>Total Equity</b>	<b>50,672</b>	<b>62,146</b>	<b>86,573</b>	<b>119,880</b>	<b>192,333</b>
<b>Total Equity &amp; Liabilities</b>	<b>352,755</b>	<b>352,583</b>	<b>373,109</b>	<b>401,590</b>	<b>473,892</b>

\* For full definitions of iQmethod<sup>SM</sup> measures, see page 5.

## Company Sector

IT Hardware

## Company Description

Apple Inc. (AAPL) designs, manufactures, and markets consumer electronics and computers, and has developed its own proprietary iOS, Mac OS, tvOS and Watch OS operating systems and related software platform/ecosystem.

Revenues are principally derived from the iPhone line of smartphones, Services, hardware sales of the Macintosh family of notebook and desktop computers, iPad tablets, and wearables.

## Investment Rationale

Our Buy rating on Apple is based on: 1) expected strong iPhone upgrade cycle in F25 driven by the need for latest hardware to enable Gen AI features, 2) higher growth in Services revenue, 3) higher margins from more internally developed silicon, 4) continuing capital returns, 5) AI features that can drive higher institutional ownership, and 6) risk around legal issues being manageable.

## Stock Data

Average Daily Volume 64,359,048

## Quarterly Earnings Estimates

	2023	2024
Q1	1.88A	2.18A
Q2	1.52A	1.52E
Q3	1.26A	1.36E
Q4	1.46A	1.64E

# Model

**Figure 1: Apple Income Statement**

We model F24 revenue/EPS of \$396bn/\$6.70

	F2023				F2024E				F2022	F2023	F2024E	F2025E	F2026E
(\$ Millions Except Per Share Data)	12/22	3/23	6/23	9/23	12/23	3/24E	6/24E	9/24E					
<b>Income Statement</b>													
Revenue (\$mn)	117154	94836	81797	89498	119575	91040	84345	101280	394328	383285	396240	434681	455001
iPhone revenue	65775	51334	39669	43805	69702	45838	39744	50671	205489	200583	205956	227764	230005
iPad revenue	9396	6670	5791	6443	7023	6608	6134	7040	29292	28300	26805	26787	27332
Mac revenue	7735	7168	6840	7614	7780	7037	6268	8656	40177	29357	29741	30895	32092
iTunes / Software / Services	20766	20907	21213	22314	23117	23207	23971	25661	78129	85200	95956	108661	121964
Other Rev	13482	8757	8284	9322	11953	8350	8229	9252	41241	39845	37783	40575	43608
Cost of Goods Sold (excl. Stock-based comp.)	66496	52534	45058	48745	64379	48343	45190	55582	222302	212833	213494	233790	244159
Gross Profit (excl. Stock-based comp.)	50658	42302	36739	40753	55196	42696	39156	45699	172026	170452	182746	200891	210842
Total Operating Expense (excl. Stock-based comp.)	12772	12114	11871	11914	12848	12700	12109	13681	45529	48671	51338	55601	58259
R&D (excl. Stock-based comp.)	6778	6526	6511	6376	6715	6919	6579	7090	22727	26191	27303	30049	31486
SG&A (excl. Stock-based comp.)	5994	5588	5360	5538	6133	5781	5530	6592	22802	22480	24036	25552	26772
Operating Income (Pre-Stock-based comp.)	37886	30188	24868	28839	42348	29996	27047	32017	126497	121781	131408	145290	152583
Total Operating Expense (incl. Stock-based comp.)	14316	13658	13415	13458	14482	14334	13743	15315	51345	54847	57874	62497	65515
R&D (incl. Stock-based comp.)	7709	7457	7442	7307	7696	7900	7560	8071	26251	29915	31227	34173	35810
SG&A (incl. Stock-based comp.)	6607	6201	5973	6151	6786	6434	6183	7245	25094	24932	26648	28324	29704
Operating Income (Incl. Stock-based comp.)	36016	28318	22998	26969	40373	28021	25072	30042	119437	114301	123508	136970	143843
Total Interest and Other Income/(Expense)	-393	64	-265	29	-50	-50	-66	-61	-334	-565	-228	-145	128
Pretax Income (Pre SBC)	37493	30252	24603	28868	42298	29946	26980	31956	126163	121216	131181	145145	152711
Provision for Income Taxes (Credit)	5920	4500	3087	4322	6721	4791	4317	5113	20442	17829	20942	23223	24434
Net Income (Pre Stock-based comp.)	31573	25752	21516	24546	35577	25155	22663	26843	105721	103387	110239	121922	128277
Stock-based comp. (After tax)	-1575	-1592	-1635	-1590	-1661	-1659	-1659	-1659	-5918	-6392	-6638	-6989	-7342
Net Income (Incl. Stock-based-comp)	29998	24160	19881	22956	33916	23496	21004	25184	99803	96995	103600	114933	120936
Diluted EPS (Pre-Stock-based comp)	1.98	1.63	1.36	1.57	2.28	1.62	1.47	1.75	6.48	6.54	7.13	8.05	8.66
Diluted EPS (Incl. Stock-based comp)	<b>1.88</b>	<b>1.52</b>	<b>1.26</b>	<b>1.46</b>	<b>2.18</b>	<b>1.52</b>	<b>1.36</b>	<b>1.64</b>	<b>6.11</b>	<b>6.13</b>	<b>6.70</b>	<b>7.59</b>	<b>8.16</b>
Diluted Weighted Average Shares	15956	15847	15775	15672	15577	15497	15417	15337	16326	15813	15457	15137	14817
<b>Income Statement (Cont'd)</b>													
<b>% Growth Rates</b>													
Revenues (Y/Y)	(5.5%)	(2.5%)	(1.4%)	(0.7%)	2.1%	(4.0%)	3.1%	13.2%	7.8%	(2.8%)	3.4%	9.7%	4.7%
Gross Profit (Y/Y)	(7.1%)	(1.3%)	1.5%	6.1%	9.0%	0.9%	6.6%	12.1%	11.7%	(0.9%)	7.2%	9.9%	5.0%
Opex (Y/Y)	13.0%	8.9%	4.5%	1.4%	0.6%	4.8%	2.0%	14.8%	18.5%	6.9%	5.5%	8.3%	4.8%
R&D (Y/Y)	24.9%	18.5%	10.1%	8.4%	(0.9%)	6.0%	1.0%	11.2%	22.3%	15.2%	4.2%	10.1%	4.8%
SG&A (Y/Y)	2.0%	(0.6%)	(1.5%)	(5.6%)	2.3%	3.5%	3.2%	19.0%	14.9%	(1.4%)	6.9%	6.3%	4.8%
Op. Income (Y/Y)	(12.4%)	(4.9%)	0.1%	8.2%	11.8%	(0.6%)	8.8%	11.0%	9.4%	(3.7%)	7.9%	10.6%	5.0%
Pretax Income (Y/Y)	(12.8%)	(5.2%)	(0.9%)	9.3%	12.8%	(1.0%)	9.7%	10.7%	8.9%	(3.9%)	8.2%	10.6%	5.2%
Net Income (Y/Y)	(13.4%)	(3.4%)	2.3%	10.8%	13.1%	(2.7%)	5.7%	9.7%	5.4%	(2.8%)	6.8%	10.9%	5.2%
EPS (Y/Y)	(10.3%)	(0.0%)	5.4%	13.9%	15.8%	(0.6%)	8.1%	12.1%	8.9%	0.3%	9.3%	13.3%	7.5%
Diluted Shares (Y/Y)	(3.4%)	(3.4%)	(3.0%)	(2.8%)	(2.4%)	(2.2%)	(2.3%)	(2.1%)	(3.2%)	(3.1%)	(2.3%)	(2.1%)	(2.1%)
Revenues (Q/Q)	30.0%	(19.1%)	(13.7%)	9.4%	33.6%	(23.9%)	(7.4%)	20.1%					
Gross Profit (Q/Q)	28.5%	(21.0%)	(14.2%)	8.2%	32.1%	(24.9%)	(6.5%)	23.0%					
Opex (Q/Q)	8.7%	(5.2%)	(2.0%)	0.4%	7.8%	(1.2%)	(4.7%)	13.0%					
Op. Income (Q/Q)	42.1%	(20.3%)	(17.6%)	16.0%	46.8%	(29.2%)	(9.8%)	18.4%					
Diluted Shares (Q/Q)	(1.0%)	(0.7%)	(0.5%)	(0.7%)	(0.6%)	(0.5%)	(0.5%)	(0.5%)					
<b>% of Revenues</b>													
Gross Profit (Excl. Stock Based Comp Expense)	43.2%	44.6%	44.9%	45.7%	46.2%	46.9%	46.4%	45.1%	43.6%	44.5%	46.1%	46.2%	46.3%
Gross Profit (Incl. Stock Based Comp Expense)	43.0%	44.3%	44.5%	45.2%	45.9%	46.5%	46.0%	44.8%	43.3%	44.1%	45.8%	45.9%	46.0%
Opex	10.9%	12.8%	14.5%	13.3%	10.7%	14.0%	14.4%	13.5%	11.5%	12.7%	13.0%	12.8%	12.8%
R&D	5.8%	6.9%	8.0%	7.1%	5.6%	7.6%	7.8%	7.0%	5.8%	6.8%	6.9%	6.9%	6.9%
SG&A	5.1%	5.9%	6.6%	6.2%	5.1%	6.4%	6.6%	6.5%	5.8%	5.9%	6.1%	5.9%	5.9%
Opex (including Stock Based Comp)	12.2%	14.4%	16.4%	15.0%	12.1%	15.7%	16.3%	15.1%	13.0%	14.3%	14.6%	14.4%	14.4%
EBIT (Pre-Stock Based Comp)	32.3%	31.8%	30.4%	32.2%	35.4%	32.9%	32.1%	31.6%	32.1%	31.8%	33.2%	33.4%	33.5%
Stock Based Comp Expense	(1.3%)	(1.7%)	(2.0%)	(1.8%)	(1.4%)	(1.8%)	(2.0%)	(1.6%)	(1.5%)	(1.7%)	(1.7%)	(1.6%)	(1.6%)
EBIT (Post-Stock Based Comp)	30.7%	29.9%	28.1%	30.1%	33.8%	30.8%	29.7%	29.7%	30.3%	29.8%	31.2%	31.5%	31.6%
Pretax Income	32.0%	31.9%	30.1%	32.3%	35.4%	32.9%	32.0%	31.6%	32.0%	31.6%	33.1%	33.4%	33.6%
Tax Rate	15.8%	14.9%	12.5%	15.0%	15.9%	16.0%	16.0%	16.0%	16.2%	14.7%	16.0%	16.0%	16.0%
Net Income (Operating, Pre-SBC)	25.6%	25.5%	24.3%	25.6%	28.4%	25.8%	24.9%	24.9%	25.3%	25.3%	26.1%	26.4%	26.6%
Net Income (Operating, Post-SBC)	26.9%	27.2%	26.3%	27.4%	29.8%	27.6%	26.9%	26.5%	26.8%	27.0%	27.8%	28.0%	28.2%

Source: Company reports, BofA Global Research estimates

## Price objective basis & risk

### Apple Inc. (AAPL)

Our PO of \$225 is based on approximately 32x our C24E EPS. Our target multiple compares to the 5-year historical range of 16-34x (median 27x). We believe a multiple at the higher end of the historical range is justified given a large cash balance and opportunity to diversify into new end markets, increasing mix and diversity of services.

Downside risks are: a) weaker iPhone 15 cycle on consumer spending risk, b) weaker near-term services trajectory where App Store & Licensing can decelerate, c) gross profit dollars declining y/y next few quarters, d) iPads/Macs reverting to pre-COVID levels, and e) stronger dollar. Other risks are potential trade conflicts, tariffs, longer iPhone replacement cycles, commoditization in the smartphone market, intensifying competition in the tablet market, ability to manage beat and raise expectations for EPS estimates, and requirement to maintain pace of product innovation.

Upside risks are: a) stronger sales of Pro iPhone models which can help average selling price and help the mix of the business, b) est. revisions can be lower vs. peers, c) potential new products (AR/VR), and services (advertising). Other upside risks are stronger than expected iPhone cycle, gross margin upside from better mix of higher end iPhones, tailwinds from lower memory costs, and a faster than expected recovery in emerging markets.

## Analyst Certification

I, Wamsi Mohan, 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 - IT Hardware and Technology Supply Chain Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Amphenol	APH	APH US	Wamsi Mohan
	Apple Inc.	AAPL	AAPL US	Wamsi Mohan
	Corning Inc.	GLW	GLW US	Wamsi Mohan
	Dell Technologies Inc.	DELL	DELL US	Wamsi Mohan
	Flex Ltd.	FLEX	FLEX US	Ruplu Bhattacharya
	HP Inc.	HPQ	HPQ US	Wamsi Mohan
	International Business Machines Corp.	IBM	IBM US	Wamsi Mohan
	Jabil Inc.	JBL	JBL US	Ruplu Bhattacharya
	Nutanix Inc	NTNX	NTNX US	Wamsi Mohan
	Roku, Inc.	ROKU	ROKU US	Ruplu Bhattacharya
	Seagate Technology	STX	STX US	Wamsi Mohan
	Super Micro Computer Inc.	SMCI	SMCI US	Ruplu Bhattacharya
	TD Synnex Corp	SNX	SNX US	Ruplu Bhattacharya
	TE Connectivity Ltd.	TEL	TEL US	Wamsi Mohan
	Western Digital Corporation	WDC	WDC US	Wamsi Mohan
<b>NEUTRAL</b>				
	Arrow Electronics Inc.	ARW	ARW US	Ruplu Bhattacharya
	Avnet Inc.	AVT	AVT US	Ruplu Bhattacharya
	CDW Corp	CDW	CDW US	Ruplu Bhattacharya
	Concentrix Corporation	CNXC	CNXC US	Ruplu Bhattacharya
	Hewlett-Packard Enterprise	HPE	HPE US	Wamsi Mohan
	Pure Storage	PSTG	PSTG US	Wamsi Mohan
	Sensata Technologies Holdings Plc	ST	ST US	Wamsi Mohan
	Teradata Corporation	TDC	TDC US	Wamsi Mohan
<b>UNDERPERFORM</b>				
	DigitalOcean	DOCN	DOCN US	Wamsi Mohan

## US - IT Hardware and Technology Supply Chain Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	NetApp Inc.	NTAP	NTAP US	Wamsi Mohan
	Sanmina Corporation	SANM	SANM US	Ruplu Bhattacharya
	Vishay Intertechnology, Inc.	VSH	VSH US	Ruplu Bhattacharya

**iQmethod<sup>SM</sup> 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 &amp; 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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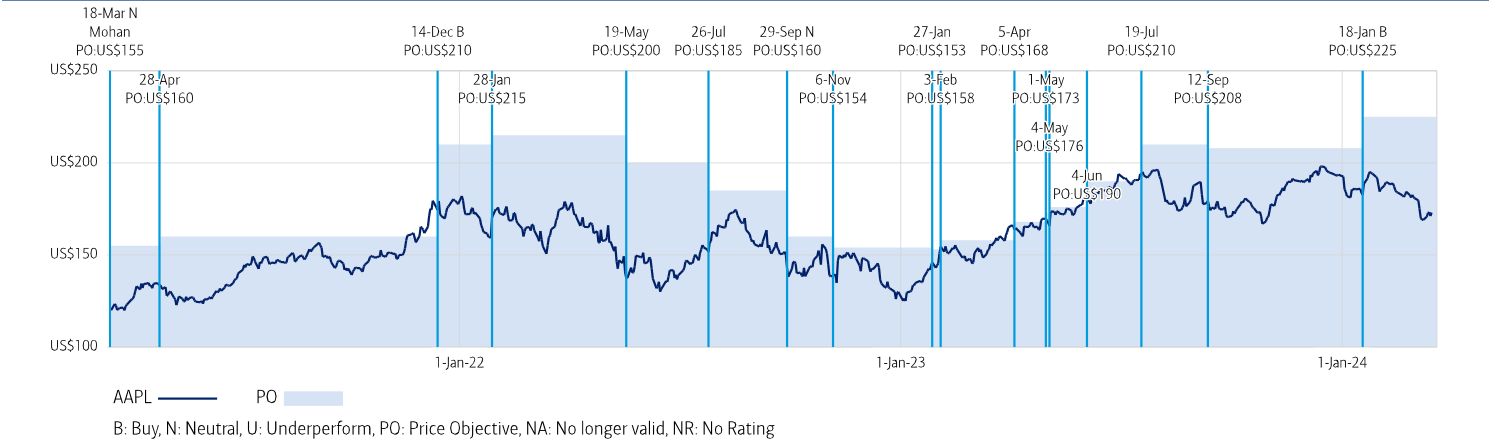
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Apple Inc. (AAPL) Price Chart



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

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	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 <sup>R1</sup>	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%

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster <sup>R2</sup>
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