

Research Summary Early 6:05 EDT — October 24, 2023

Recently Published Research EQ

Summary

This is a compilation of our latest research changes and publications

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Earnings Estimate Revised Down

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[FBP \(Equal Weight\) FBP: Funding Pressures Impact NII Run-rate—Adj. Estimates and](#)

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Media & Telecommunications

[CNK \(Equal Weight\) CNK: 3Q'23 Preview—Raising 3Q Estimates; '24 BO Outlook at Risk](#)

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[Technology & Services: Framing Sentiment Ahead of Q3 Software Earnings Season](#)

[HUBS \(Overweight\) HUBS: Our Thoughts into Q3 Earnings—Multiple Moving Pieces To](#)

[Consider; Lowering Ests and PT](#)

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[Capacity Impact; Remain Overweight; PT \\$19 \(-\\$3\)](#)

Energy

[HES \(Equal Weight\) HES: Adjusting Rating to Equal Weight](#)

Financial Services

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Equity Analyst(s)

Equity Research Department

Media & Telecommunications[CNK \(Equal Weight\) CNK: 3Q'23 Preview—Raising 3Q Estimates; '24 BO Outlook at Risk](#)*Real Estate*[CUBE \(Equal Weight\) CUBE: Downgrade to EW \(from OW\) and PT to \\$37](#)[NSA \(Underweight\) NSA: 2023 Guide Looks Secure, but See Downside in 24; Lowering PT](#)*Technology & Services*[HUBS \(Overweight\) HUBS: Our Thoughts into Q3 Earnings—Multiple Moving Pieces To Consider; Lowering Ests and PT](#)[NTAP \(Equal Weight\) NTAP: INSIGHT 2023—Focus on Supporting the Full AI Lifecycle](#)[CDNS \(Overweight\) CDNS: Good Results, but Bar Was High](#)[MPWR \(Overweight\) MPWR: Sep-Q Preview; A Slow Grind to Shareholder Value](#)*Enhancement***Sector Research Notes***Consumer*[Consumer: Cruise Lines: Wells Fargo Travel Agent Survey, Volume 3; Cruise Pricing Data; Demand Stabilizing at a High Level](#)*Financial Services*[Financial Services: Transcript—Banks and A&I w/BCG](#)*Real Estate*[Real Estate: Self-Storage Outlook: Is the Magic Fading for This Pandemic Darling?](#)*Technology & Services*[Technology & Services: Framing Sentiment Ahead of Q3 Software Earnings Season](#)**Flash Notes***Financial Services*[BRO \(Equal Weight\) BRO: A Strong Print from BRO; Revenue and Margin Drive Upside](#)*Industrials*[PKG \(Equal Weight\) PKG: Correction: Expect Slightly Positive Reaction to Q3 Beat + Wallula Restart](#)[SEE \(Equal Weight\) SEE: Announces CEO Transition; Reaffirms FY 2023 guide; Expect Positive Reaction](#)[TFII \(Overweight\) TFII: No Breakthrough, But Momentum Builds](#)[CCK \(Equal Weight\) CCK: As Expected, CCK Delivers Mixed Q3 Results; Full-Year EPS Guide Modestly Lowered](#)[HRI \(Overweight\) HRI: First Look at 3Q23](#)[HXL \(Equal Weight\) HXL: Q3 Below on Margin with Industrial Lower; Maintains Guidance](#)*Technology & Services*[Technology & Services: NVDA & AMD To Launch Arm-based PC CPUs?](#)

Rating Change/Coverage Initiations

Energy

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>		<u>Title</u>	<u>Price Target</u>	<u>Analyst /Industry</u>
			<u>From</u>	<u>To</u>			
Hess Corporation (HES)	\$161.30	\$49,622	OW	EW	HES: Adjusting Rating to Equal Weight	\$171.00	Read/International E&P

Real Estate

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>		<u>Title</u>	<u>Price Target</u>	<u>Analyst /Industry</u>
			<u>From</u>	<u>To</u>			
Extra Space Storage Inc. (EXR)	\$108.13	\$22,845		UW	EXR: Initiate with Underweight Rating and \$115 PT	\$115.00	/Self Storage REITs
Public Storage, Inc. (PSA)	\$247.93	\$43,593		OW	PSA: Initiate with Overweight Rating and \$270 PT	\$270.00	/Self Storage REITs
CubeSmart (CUBE)	\$35.02	\$7,873	OW	EW	CUBE: Downgrade to EW (from OW) and PT to \$37	\$37.00	Luebchow/Self Storage REITs

Price Target Change

Consumer

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Price Target</u>		<u>Title</u>	<u>Rating</u>	<u>Analyst /Industry</u>
			<u>From</u>	<u>To</u>			
Norwegian Cruise Line Holdings Ltd. (NCLH)	\$13.92	\$5,922	\$22.00	\$19.00	NCLH: 3Q23 Preview, Tweaking Estimates; Analyzing FY24 Israel Capacity Impact; Remain Overweight; PT \$19 (-\$3)	OW	Politzer/Leisure

Energy

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Price Target</u>		<u>Title</u>	<u>Rating</u>	<u>Analyst /Industry</u>
			<u>From</u>	<u>To</u>			
Hess Corporation (HES)	\$161.30	\$49,622	\$170.00	\$171.00	HES: Adjusting Rating to Equal Weight	EW	Read/International E&P

Financial Services

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Price Target</u>		<u>Title</u>	<u>Rating</u>	<u>Analyst /Industry</u>
			<u>From</u>	<u>To</u>			
First Bancorp. (FBP)	\$13.15	\$2,345	\$12.50	\$13.00	FBP: Funding Pressures Impact NII Run-rate—Adj. Estimates and Raising PT	EW	Brazilier/Mid-Cap Banks

Media & Telecommunications

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Price Target</u>		<u>Title</u>	<u>Rating</u>	<u>Analyst /Industry</u>
			<u>From</u>	<u>To</u>			
Cinemark Holdings, Inc. (CNK)	\$15.53	\$1,889	\$18.00	\$16.00	CNK: 3Q'23 Preview—Raising 3Q Estimates; '24 BO Outlook at Risk	EW	Mejias/Media & Entertainment

Real Estate

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Price Target</u>		<u>Title</u>	<u>Rating</u>	<u>Analyst /Industry</u>
			<u>From</u>	<u>To</u>			
CubeSmart (CUBE)	\$35.02	\$7,873	\$46.00	\$37.00	CUBE: Downgrade to EW (from OW) and PT to \$37	EW	Luebchow/Self Storage REITs
National Storage Affiliates Trust (NSA)	\$29.53	\$4,394	\$34.00	\$32.00	NSA: 2023 Guide Looks Secure, but See Downside in 24; Lowering PT	UW	Luebchow/Self Storage REITs

Technology & Services

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Price Target</u>		<u>Title</u>	<u>Rating</u>	<u>Analyst /Industry</u>
			<u>From</u>	<u>To</u>			
HubSpot, Inc. (HUBS)	\$431.02	\$21,558	\$600.00	\$550.00	Framing Sentiment Ahead of Q3 Software Earnings Season	OW	Turpin/U.S. Software

Technology & Services

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Price Target</u>		<u>Title</u>	<u>Rating</u>	<u>Analyst /Industry</u>
			<u>From</u>	<u>To</u>			
HubSpot, Inc. (HUBS)	\$431.02	\$21,558	\$600.00	\$550.00	HUBS: Our Thoughts into Q3 Earnings—Multiple Moving Pieces To Consider; Lowering Ests and PT	OW	Turrin/U.S. Software

Earnings Estimate Revised Up**Financial Services**

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>FY2023E</u>		<u>FY2024E</u>		<u>Price Target</u>	<u>Analyst /Industry</u>
				<u>Old</u>	<u>New</u>	<u>Old</u>	<u>New</u>		
W.R. Berkley Corporation (WRB)	\$62.89	\$16,196	OW	4.73	4.88		6.15	\$75.00	Greenspan/Commercial Lines Insurance

Media & Telecommunications

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>FY2023E</u>		<u>FY2024E</u>		<u>Price Target</u>	<u>Analyst /Industry</u>
				<u>Old</u>	<u>New</u>	<u>Old</u>	<u>New</u>		
Cinemark Holdings, Inc. (CNK)	\$15.53	\$1,889	EW	565.2	577.6	596.5	569.4	\$16.00	Mejias/Media & Entertainment

Technology & Services

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>FY2023E</u>		<u>FY2024E</u>		<u>Price Target</u>	<u>Analyst /Industry</u>
				<u>Old</u>	<u>New</u>	<u>Old</u>	<u>New</u>		
Cadence Design Systems, Inc. (CDNS)	\$239.92	\$65,208	OW	5.08	5.10		5.96	\$285.00	Mobley/Semiconductors - IoT & Wireless/ Datacenter

Earnings Estimate Revised Down**Consumer**

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>FY2023E</u>		<u>FY2024E</u>		<u>Price Target</u>	<u>Analyst /Industry</u>
				<u>Old</u>	<u>New</u>	<u>Old</u>	<u>New</u>		
Norwegian Cruise Line Holdings Ltd. (NCLH)	\$13.92	\$5,922	OW	1.90B	1.85B	2.34B	2.23B	\$19.00	Politzer/Leisure

Financial Services

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>FY2023E</u>		<u>FY2024E</u>		<u>Price Target</u>	<u>Analyst /Industry</u>
				<u>Old</u>	<u>New</u>	<u>Old</u>	<u>New</u>		
First Bancorp. (FBP)	\$13.15	\$2,345	EW		1.53	1.57	1.49	\$13.00	Brazilier/Mid-Cap Banks

Media & Telecommunications

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>FY2023E</u>		<u>FY2024E</u>		<u>Price Target</u>	<u>Analyst /Industry</u>
				<u>Old</u>	<u>New</u>	<u>Old</u>	<u>New</u>		
Cinemark Holdings, Inc. (CNK)	\$15.53	\$1,889	EW	565.2	577.6	596.5	569.4	\$16.00	Mejias/Media & Entertainment

Real Estate

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>FY2023E</u>		<u>FY2024E</u>		<u>Price Target</u>	<u>Analyst /Industry</u>
				<u>Old</u>	<u>New</u>	<u>Old</u>	<u>New</u>		
CubeSmart (CUBE)	\$35.02	\$7,873	EW	2.66	2.64	2.79	2.64	\$37.00	Luebchow/Self Storage REITs
National Storage Affiliates Trust (NSA)	\$29.53	\$4,394	UW		2.66	2.73	2.53	\$32.00	Luebchow/Self Storage REITs

Technology & Services

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>FY2023E</u>		<u>FY2024E</u>		<u>Price Target</u>	<u>Analyst /Industry</u>
				<u>Old</u>	<u>New</u>	<u>Old</u>	<u>New</u>		
HubSpot, Inc. (HUBS)	\$431.02	\$21,558	OW		5.27	6.77	6.63	\$550.00	Turrin/U.S. Software
HubSpot, Inc. (HUBS)	\$431.02	\$21,558	OW		5.27	6.77	6.63	\$550.00	Turrin/U.S. Software

Company Research Notes

Consumer

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>Title</u>	<u>Price Target</u>	<u>Analyst /Industry</u>
Norwegian Cruise Line Holdings Ltd. (NCLH)	\$13.92	\$5,922	OW	NCLH: 3Q23 Preview, Tweaking Estimates; Analyzing FY24 Israel Capacity Impact; Remain Overweight; PT \$19 (-\$3)	\$19.00	Politzer/Leisure

Energy

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>Title</u>	<u>Price Target</u>	<u>Analyst /Industry</u>
Hess Corporation (HES)	\$161.30	\$49,622	EW	HES: Adjusting Rating to Equal Weight	\$171.00	Read/International E&P

Financial Services

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>Title</u>	<u>Price Target</u>	<u>Analyst /Industry</u>
First Bancorp. (FBP)	\$13.15	\$2,345	EW	FBP: Funding Pressures Impact NII Run-rate—Adj. Estimates and Raising PT	\$13.00	Brazilier/Mid-Cap Banks
W.R. Berkley Corporation (WRB)	\$62.89	\$16,196	OW	WRB: A Consistent Message from Berkley; Q3 and Conference Call Roundup	\$75.00	Greenspan/Commercial Lines Insurance

Health Care

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>Title</u>	<u>Price Target</u>	<u>Analyst /Industry</u>
Shockwave Medical, Inc. (SWAV)	\$202.17	\$7,430	EW	SWAV: Innovation Day Lays Out Product Roadmap; Financial Targets Imply Upside to Consensus	\$251.00	Biegelsen/Med Tech - Cardiovascular

Media & Telecommunications

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>Title</u>	<u>Price Target</u>	<u>Analyst /Industry</u>
Cinemark Holdings, Inc. (CNK)	\$15.53	\$1,889	EW	CNK: 3Q'23 Preview—Raising 3Q Estimates; '24 BO Outlook at Risk	\$16.00	Mejias/Media & Entertainment

Real Estate

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>Title</u>	<u>Price Target</u>	<u>Analyst /Industry</u>
Extra Space Storage Inc. (EXR)	\$108.13	\$22,845	UW	EXR: Initiate with Underweight Rating and \$115 PT	\$115.00	/Self Storage REITs
Public Storage, Inc. (PSA)	\$247.93	\$43,593	OW	PSA: Initiate with Overweight Rating and \$270 PT	\$270.00	/Self Storage REITs
CubeSmart (CUBE)	\$35.02	\$7,873	EW	CUBE: Downgrade to EW (from OW) and PT to \$37	\$37.00	Luebchow/Self Storage REITs
National Storage Affiliates Trust (NSA)	\$29.53	\$4,394	UW	NSA: 2023 Guide Looks Secure, but See Downside in 24; Lowering PT	\$32.00	Luebchow/Self Storage REITs

Technology & Services

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>Title</u>	<u>Price Target</u>	<u>Analyst /Industry</u>
Monolithic Power Systems, Inc. (MPWR)	\$413.49	\$19,756	OW	MPWR: Sep-Q Preview; A Slow Grind to Shareholder Value Enhancement	\$575.00	Mobley/Semiconductors
Cadence Design Systems, Inc. (CDNS)	\$239.92	\$65,208	OW	CDNS: Good Results, but Bar Was High	\$285.00	Mobley/Semiconductors - IoT & Wireless/ Datacenter
NetApp, Inc. (NTAP)	\$73.27	\$15,298	EW	NTAP: INSIGHT 2023—Focus on Supporting the Full AI Lifecycle	\$72.00	Rakers/IT Hardware & Communications Networking
HubSpot, Inc. (HUBS)	\$431.02	\$21,558	OW	HUBS: Our Thoughts into Q3 Earnings—Multiple Moving Pieces To Consider; Lowering Ests and PT	\$550.00	Turrin/U.S. Software

Company Flash Notes

Financial Services

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>Title</u>	<u>Price Target</u>	<u>Analyst /Industry</u>
Brown & Brown, Inc. (BRO)	\$66.78	\$18,940	EW	BRO: A Strong Print from BRO; Revenue and Margin Drive Upside	\$70.00	Greenspan/Insurance Brokers

Industrials

<u>Company</u>	<u>Price</u>	<u>M.Cap (MMs)</u>	<u>Rating</u>	<u>Title</u>	<u>Price Target</u>	<u>Analyst /Industry</u>
Hexcel Corporation (HXL)	\$64.90	\$5,482	EW	HXL: Q3 Below on Margin with Industrial Lower; Maintains Guidance	\$77.00	Akers/Aerospace & Defense
Crown Holdings, Inc. (CCK)	\$77.02	\$9,292	EW	CCK: As Expected, CCK Delivers Mixed Q3 Results; Full-Year EPS Guide Modestly Lowered	\$74.00	Hajde/Containers & Packaging
Packaging Corporation of America (PKG)	\$144.54	\$12,996	EW	PKG: Correction: Expect Slightly Positive Reaction to Q3 Beat + Wallula Restart	\$137.00	Hajde/Containers & Packaging
Sealed Air Corporation (SEE)	\$28.58	\$4,127	EW	SEE: Announces CEO Transition; Reaffirms FY 2023 guide; Expect Positive Reaction	\$35.00	Hajde/Containers & Packaging
TFI International Inc. (TFII)	\$116.67	\$10,091	OW	TFII: No Breakthrough, But Momentum Builds	\$160.00	Monigan/Airfreight & Surface Transportation
Herc Holdings, Inc. (HRI)	\$107.21	\$3,033	OW	HRI: First Look at 3Q23	\$165.00	Weber/Machinery

Sector Research Notes

Consumer

<u>Sector</u>	<u>Subject Companies</u>	<u>Title</u>	<u>Analyst</u>
Leisure		Cruise Lines: Wells Fargo Travel Agent Survey, Volume 3; Cruise Pricing Data; Demand Stabilizing at a High Level	Politzer

Financial Services

<u>Sector</u>	<u>Subject Companies</u>	<u>Title</u>	<u>Analyst</u>
Financial Services		Transcript—Banks and A&I w/BCG	Mayo

Real Estate

<u>Sector</u>	<u>Subject Companies</u>	<u>Title</u>	<u>Analyst</u>
REITs	Public Storage, Inc. (PSA) Extra Space Storage Inc. (EXR) CubeSmart (CUBE) National Storage Affiliates Trust (NSA)	Self-Storage Outlook: Is the Magic Fading for This Pandemic Darling?	Luebchow

Technology & Services

<u>Sector</u>	<u>Subject Companies</u>	<u>Title</u>	<u>Analyst</u>
U.S. Software	8x8, Inc. (EGHT) Adobe Inc. (ADBE) Atlassian Corp. Plc (TEAM) Blend Labs, Inc. (BLND) Braze, Inc. (BRZE) Ceridian HCM Holding, Inc. (CDAY) Clear Secure, Inc. (YOU) Clearwater Analytics Holdings, Inc. (CWAN) Confluent, Inc. (CFLT) DocuSign, Inc. (DOCU) Everbridge, Inc. (EVBG) Five9, Inc. (FIVN) Guidewire Software, Inc. (GWRE) HubSpot, Inc. (HUBS) Intuit, Inc. (INTU) Kaltura, Inc. (KLTR)	Framing Sentiment Ahead of Q3 Software Earnings Season	Turpin

Technology & Services

<u>Sector</u>	<u>Subject Companies</u>	<u>Title</u>	<u>Analyst</u>
	Microsoft Corporation (MSFT) RingCentral, Inc. (RNG) salesforce.com, inc. (CRM) Samsara Inc. (IOT) ServiceNow Inc. (NOW) Smartsheet, Inc. (SMAR) Snowflake Inc. (SNOW) Sprinklr, Inc. (CXM) Twilio, Inc. (TWLO) Tyler Technologies, Inc. (TYL) UiPath, Inc. (PATH) WalkMe Ltd. (WKME) Workday, Inc. (WDAY) ZoomInfo Technologies, Inc. (ZI) Zoom Video Communications, Inc. (ZM)		

Sector Flash Notes

Technology & Services

<u>Sector</u>	<u>Subject Companies</u>	<u>Title</u>	<u>Analyst</u>
Semiconductors		NVDA & AMD To Launch Arm-based PC CPUs?	Rakers

Published Reports

Industry Technology & Services
U.S. Software

	<u>Analyst</u>	<u>Price</u>	<u>Price Target</u>	<u>FY</u>	<u>FY23E</u>	<u>FY24E</u>	<u>Rating</u>	<u>M. Cap (MMs)</u>
8x8, Inc. (EGHT)	Turrin	\$2.31	\$3.00	MAR.	0.33	0.43	UW	\$277
Adobe Inc. (ADBE)	Turrin	\$540.41	\$650.00	NOV.	15.93	18.08	OW	\$246,427
Atlassian Corp. Plc (TEAM)	Turrin	\$185.96	\$230.00	JUN.	1.92	2.13	OW	\$48,018
Blend Labs, Inc. (BLND)	Turrin	\$1.21	\$1.50	DEC.	162.5	194.8	EW	\$298
Braze, Inc. (BRZE)	Berg	\$42.62	\$55.00	JAN.	355.4	454.5	OW	\$4,214
Ceridian HCM Holding, Inc. (CDAY)	Turrin	\$68.99	\$70.00	DEC.	1.24	1.65	EW	\$10,736
Clear Secure, Inc. (YOU)	Turrin	\$17.30	\$26.00	DEC.	593.7	685.5	EW	\$2,626
Clearwater Analytics Holdings, Inc. (CWAN)	Turrin	\$19.11	\$22.00	DEC.	100.0	124.2	OW	\$4,621
Confluent, Inc. (CFLT)	Turrin	\$28.14	\$41.00	DEC.	(0.02)	0.27	OW	\$8,510
DocuSign, Inc. (DOCU)	Turrin	\$40.08	\$55.00	JAN.	2.04	2.74	EW	\$8,144
Everbridge, Inc. (EVBG)	Berg	\$19.69	\$24.00	DEC.	1.50	1.58	EW	\$803
Five9, Inc. (FIVN)	Turrin	\$58.72	\$95.00	DEC.	1.81	2.21	OW	\$4,240
Guidewire Software, Inc. (GWRE)	Turrin	\$87.29	\$90.00	JUL.	0.40	0.79	EW	\$7,109
HubSpot, Inc. (HUBS)	Turrin	\$431.02	\$550.00	DEC.	5.27	6.63	OW	\$21,558
Intuit, Inc. (INTU)	Turrin	\$504.03	\$575.00	JUL.	14.42	16.39	OW	\$141,259
Kaltura, Inc. (KLTR)	Turrin	\$1.62	\$2.00	DEC.	(0.10)	(0.05)	EW	\$224
Microsoft Corporation (MSFT)	Turrin	\$329.32	\$400.00	JUN.	9.68	10.82	OW	\$2,446,528
RingCentral, Inc. (RNG)	Turrin	\$25.60	\$45.00	DEC.	3.19	3.69	OW	\$2,424
Samsara Inc. (IOT)	Turrin	\$23.15	\$32.00	JAN.	652.5	898.0	OW	\$12,384
ServiceNow Inc. (NOW)	Turrin	\$541.38	\$650.00	DEC.	10.02	12.28	OW	\$110,604
Smartsheet, Inc. (SMAR)	Berg	\$40.41	\$55.00	JAN.	(0.23)	0.56	OW	\$5,461
Snowflake Inc. (SNOW)	Turrin	\$148.59	\$200.00	JAN.	0.34	0.63	OW	\$48,990
Sprinklr, Inc. (CXM)	Berg	\$13.17	\$16.00	JAN.	0.01	0.30	EW	\$3,562
Twilio, Inc. (TWLO)	Turrin	\$52.49	\$65.00	DEC.	1.77	2.11	EW	\$10,012
Tyler Technologies, Inc. (TYL)	Turrin	\$366.78	\$425.00	DEC.	7.66	8.78	OW	\$15,434
UiPath, Inc. (PATH)	Turrin	\$15.56	\$18.00	JAN.	0.15	0.44	EW	\$8,816
WalkMe Ltd. (WKME)	Berg	\$8.86	\$11.00	DEC.	(0.06)	0.16	OW	\$782
Workday, Inc. (WDAY)	Turrin	\$209.58	\$280.00	JAN.	3.63	5.40	OW	\$54,910
Zoom Video Communications, Inc. (ZM)	Turrin	\$61.13	\$75.00	JAN.	4.37	4.66	EW	\$18,397
ZoomInfo Technologies, Inc. (ZI)	Turrin	\$15.92	\$28.00	DEC.	1.00	1.13	OW	\$6,391
salesforce.com, inc. (CRM)	Turrin	\$202.00	\$275.00	JAN.	5.24	8.05	OW	\$196,546

Framing Sentiment Ahead of Q3 Software Earnings Season

Industry Financial Services

BRO: A Strong Print from BRO: Revenue and Margin Drive Upside

Price Target Basis & Risks

Our price target of \$70 is based on a 21x multiple of our adjusted cash EPS estimate (which excludes intangibles) or around 24x our projected 2024E EPS estimate. The 24x time multiple is between its 10-Year average and peak multiples, which we believe is fair given the good organic growth and margin environment.

Risks include tough economic conditions, which would pressure organic growth, a slowdown and leveling off of the P&C rating improvement, and the completion and successful integration of its recent large international acquisitions. Risks to the upside include organic growth and its margins coming in better than expected, as well as completing the integration of its large deals quicker than they expect.

Industry Technology & Services
Semiconductors - IoT & Wireless/Datacenter

	<u>Analyst</u>	<u>Price</u>	<u>Price Target</u>	<u>FY</u>	<u>FY23E</u>	<u>FY24E</u>	<u>Rating</u>	<u>M. Cap (MMs)</u>
Cadence Design Systems, Inc. (CDNS)	Mobley	\$239.92	\$285.00	DEC.	5.10	5.96	OW	\$65,208

[CDNS: Good Results, but Bar Was High](#)

Price Target Basis & Risks

- Our \$285 PT assumes shares trade at ~41.0x our above-cons FY25 non-GAAP (NG) EPS est, which is a premium to EDA/CAD peers.
 - This is a consistent premium w/prior PT assumptions, & we believe the premium is warranted given the secular growth drivers specific to chip design software.
- Risks include: 1) chip industry consolidation, 2) likelihood of dilutive acquisitions, 3) cyclical nature of the semiconductor industry, 4) lumpiness of hardware emulation sales and 5) the possibility US export restrictions may limit CDNS' ability to service customers based in China.

Industry Media & Telecommunications
Media & Entertainment

	<u>Analyst</u>	<u>Price</u>	<u>Price Target</u>	<u>FY</u>	<u>FY23E</u>	<u>FY24E</u>	<u>Rating</u>	<u>M. Cap (MMs)</u>
Cinemark Holdings, Inc. (CNK)	Mejias	\$15.53	\$16.00	DEC.	577.6	569.4	EW	\$1,889

[CNK: 3Q'23 Preview—Raising 3Q Estimates; '24 BO Outlook at Risk](#)

Price Target Basis & Risks

We value CNK based on its US and International segments, and we're using CY24E EBITDA as our basis. We think the US and International segment faces long-term attendance challenges to exceed pre-pandemic levels, hence our 7x target multiple. Our blended target is 7.0x our '24 EBITDA of \$569MM for a target EV of \$3.9B. After deducting ~\$1.5B in end net debt, we derive a \$2.5B equity value, or \$16/sh. This justifies our Equal Weight rating.

- Attendance challenges could happen much faster than we think, due to record spend on streaming by NFLX, AMZN, AAPL, DIS, CMCSA, WBD, etc.;
- CNK has a new CEO and CFO, so missteps may be taken more negatively than a more tenured management team; and
- Too many US screens could inhibit industry ticket price growth.
- A prolonged actor's/writer's strike could impact film production and reduced the volume of films coming to market, which could negatively impact release schedules in '24 and '25

Industry Industrials

[CCK: As Expected, CCK Delivers Mixed Q3 Results; Full-Year EPS Guide Modestly Lowered](#)

Price Target Basis & Risks

During 2005-2022, CCK traded at an average P/E multiple of 14.2x, an average EV/EBITDA multiple of 8.8x and an average FCF yield of 6.9%. Using our 2024 estimates, CCK is currently trading at 14.6x on a P/E basis, 8.5x on an EV/EBITDA basis, and a 6.3% FCF yield. We view a normalized valuation multiple for CCK as 8.0x forward EBITDA, implying a price target of \$74 using our 2024 estimate or an 8.0% FCF yield.

Risks include material shifts in currency or pricing of metal raw materials, to the extent not hedged or offset. In addition, financial leverage and cyclical risk associated with the Transit Packaging business. Additionally, any startup or higher associated costs with the company's beverage can expansion program could result in slower-than-expected earnings growth.

Industry Real Estate
Self Storage REITs

	<u>Analyst</u>	<u>Price</u>	<u>Price Target</u>	<u>FY</u>	<u>FY23E</u>	<u>FY24E</u>	<u>Rating</u>	<u>M. Cap (MMs)</u>
CubeSmart (CUBE)	Luebchow	\$35.02	\$37.00	DEC.	2.64	2.64	EW	\$7,873

[CUBE: Downgrade to EW \(from OW\) and PT to \\$37](#)

Price Target Basis & Risks

Our \$37 price target is based on our blended Core FFO yield (25% weight), FFO PEG (25%), discounted cash flow (25% weight) and NAV/share (25% weight) approach. Our yield PT implies 280 bps FFO yield premium to 10-year UST. Our Core FFO/sh target is ~15x (4x discount to avg.). Our DCF assumes a 8.5% WACC and 17x terminal value EBITDA multiple (a ~2x discount to historicals). Our P/NAV assumes a 6.25% market cap rate, a +125 bps premium to 10-year UST.

Downside investment risks include lower household moving activity which pressures rental activity, higher churn from a macro recession, less ability to push through existing customer rate increases, pockets of oversupply in select key markets (i.e., New York/NJ and Washington DC). Risks to the upside include a pricing environment that's better than feared and customer demand more than offsetting oversupply concern.

Industry Real Estate
Self Storage REITs

	<u>Analyst</u>	<u>Price</u>	<u>Price Target</u>	<u>FY</u>	<u>FY23E</u>	<u>FY24E</u>	<u>Rating</u>	<u>M. Cap (MMs)</u>
Extra Space Storage Inc. (EXR)		\$108.13	\$115.00	DEC.	8.04	8.16	UW	\$22,845

[*EXR: Initiate with Underweight Rating and \\$115 PT*](#)

Price Target Basis & Risks

Our \$115 price target is based on our blended Core FFO yield (25% weight), FFO PEG (25%), discounted cash flow (25% weight) and NAV/share (25% weight) approach. Our yield PT implies 280 bps FFO yield premium to 10-year UST. Our Core FFO/sh target is ~14x (~6x discount to historical avg). Our DCF assumes an 8.5% WACC and 16x terminal value EBITDA multiple (a ~4x discount to historicals). Our P/NAV assumes a 6.5% market cap rate, a +150bps premium to 10-year UST.

Risks include: Street rate declines not as severe or sustainable as feared; move-in and move-out volumes increasing; and industry demand more than offsetting supply increases.

Industry Financial Services

[*Transcript—Banks and A&I w/BCG*](#)

Industry Financial Services
Mid-Cap Banks

	<u>Analyst</u>	<u>Price</u>	<u>Price Target</u>	<u>FY</u>	<u>FY23E</u>	<u>FY24E</u>	<u>Rating</u>	<u>M. Cap (MMs)</u>
First Bancorp. (FBP)	Brazilier	\$13.15	\$13.00	DEC.	1.53	1.49	EW	\$2,345

[*FBP: Funding Pressures Impact NII Run-rate—Adj. Estimates and Raising PT*](#)

Price Target Basis & Risks

Our \$13 price target represents 163% of NTM TBV, a premium valuation to both mainland and Puerto Rico peers.

Downside risks include: 1) slower uptake in Puerto Rico stimulus allocation, 2) credit trends turn negative, 3) loan growth outlook pushed back, 4) natural disasters are worth keeping an eye on, as Puerto Rico has recently dealt with major hurricanes and earthquakes. Upside risks include: 1) decelerating funding costs boosts NII growth, 2) large lending opportunities from strong marco backdrop, 3) ALLL releases, 4) credit normalizes well below pre-pandemic levels.

Industry Industrials

[*HRI: First Look at 3Q23*](#)

Price Target Basis & Risks

Our \$165 price target is ~5.25x our FY23 EBITDA estimate of \$1.5 billion. Our target multiple is roughly the midpoint of the traditional rental company range.

Risks include 1) A weaker-than-expected ramp in project activity; 2) A reversion to less disciplined rental industry operator habits (i.e., oversupply the market); 3) Potential challenges with urban density strategy; 4) Ramping M&A strategy — either overpaying for assets or challenges with integration; 5) Potential overhang from large shareholder (Icahn Associates owns ~12.6% as of Dec 2022).

Industry Energy

International E&P

	<u>Analyst</u>	<u>Price</u>	<u>Price Target</u>	<u>FY</u>	<u>FY23E</u>	<u>FY24E</u>	<u>Rating</u>	<u>M. Cap (MMs)</u>
Hess Corporation (HES)	Read	\$161.30	\$171.00	DEC.	4.30	7.68	EW	\$49,622

[*HES: Adjusting Rating to Equal Weight*](#)

Price Target Basis & Risks

- Our \$171 price target is based on the all-stock transaction price

Downside risks:

- Deal with CVX does not close

Upside risks:

- A second bidder for HES that significantly tops CVX's bid (offset by a potential termination fee)

Industry **Industrials**

[HXL: Q3 Below on Margin with Industrial Lower; Maintains Guidance](#)

Price Target Basis & Risks

Our 12-month price target is \$77.00 based on a 17x multiple on our 2024E EBITDA estimate. This is below its current valuation on our 2023 estimate as we expect HXL's valuation to revert toward historical average levels over time.

As with any industrial stock, there are certain risks associated with HXL shares. Downside risks include, but are not limited to, a global economic slowdown, rapidly rising raw material costs, ongoing downturn in commercial aerospace markets and the loss of a key customer. Upside risks to the shares are a faster-than-expected recovery in airline travel, which would lead to increased demand for aerospace and rising production rates from the company's customers.

Industry **Technology & Services**
U.S. Software

	Analyst	Price	Price Target	FY	FY23E	FY24E	Rating	M. Cap (MMs)
HubSpot, Inc. (HUBS)	Turrin	\$431.02	\$550.00	DEC.	5.27	6.63	OW	\$21,558

[HUBS: Our Thoughts into Q3 Earnings—Multiple Moving Pieces To Consider; Lowering Ests and PT](#)

Price Target Basis & Risks

Our \$550 PT is derived using 10x EV/revenues on our fwd NTM estimates, an admitted premium, but one we think is warranted given multiple product cycles and pricing power ahead, which presents room for upside potential to our ests.

Downside risks include: (1) IT spending environment, particularly for marketing/MarTech budgets doesn't improve (or worsens) then the demand environment and expansion environment will remain challenged for HUBS, posing a headwind to growth; (2) if the company needs to invest more than expected to move up-market and improve its GenAI functionality or platform capabilities it may be a headwind to margins, and (3) if GenAI doesn't get the uptake many expect then growth could decelerate quickly

Industry **Leisure**

[Cruise Lines: Wells Fargo Travel Agent Survey, Volume 3; Cruise Pricing Data; Demand Stabilizing at a High Level](#)

Industry **Technology & Services**
Semiconductors

	Analyst	Price	Price Target	FY	FY23E	FY24E	Rating	M. Cap (MMs)
Monolithic Power Systems, Inc. (MPWR)	Mobley	\$413.49	\$575.00	DEC.	11.70	12.58	OW	\$19,756

[MPWR: Sep-Q Preview; A Slow Grind to Shareholder Value Enhancement](#)

Price Target Basis & Risks

- Our \$575 price target assumes shares trade at ~50.0x our NTM non-GAAP EPS estimates, or ~48.0x NTM EPS, less net cash, which is about a premium to the valuation multiple with which the chip sector trades (e.g., the SOX index). However, when adjusted for growth, by comparing MPS' PEG ratio to that of the SOX index, MPS shares look relatively inexpensive.
- MPS typically trade with a sizable premium to the SOX index, due in part to: 1) a higher EPS growth rate and 2) scarcity value.

Risks to downside include: 1) larger competitors such as TI adding manufacturing capacity (@ 300mm); 2) MPS's dependence on market share gains to meet or exceed expectations; 3) risk of pro-longed inventory depletion phase following multiple years of shortages; 4) general supply chain risk (e.g., MPS is fabless); 5) impact from various risks overhanging MPS's China exposure; 6) sustainability of pricing strength (on a like-for-like product basis); and 7) customer and distributor concentration.

Industry **Real Estate**
Self Storage REITs

	Analyst	Price	Price Target	FY	FY23E	FY24E	Rating	M. Cap (MMs)
National Storage Affiliates Trust (NSA)	Luebchow	\$29.53	\$32.00	DEC.	2.66	2.53	UW	\$4,394

[NSA: 2023 Guide Looks Secure, but See Downside in 24; Lowering PT](#)

Price Target Basis & Risks

Our \$32 price target is based on our blended Core FFO yield (25% weight), FFO PEG (25%), discounted cash flow (25% weight) and NAV/share (25% weight) approach. Our yield PT implies 350 bps FFO yield premium to 10-year UST. Our Core FFO/sh target is ~12x (6x discount to avg.). Our DCF assumes a 9% WACC and 15x terminal value EBITDA multiple (a ~4x discount to historicals). Our P/NAV assumes a 7% market cap rate, a +200+ bps premium to 10-year UST.

Investment risks include (a) improving Street rates offsetting occupancy headwinds and improving same-store revenue growth; (b) a softening interest rate environment; (c) accretive M&A potential if acquisition cap rates rise; or (d) participation in industry consolidation.

Industry Technology & Services
IT Hardware & Communications Networking

	<u>Analyst</u>	<u>Price</u>	<u>Price Target</u>	<u>FY</u>	<u>FY23E</u>	<u>FY24E</u>	<u>Rating</u>	<u>M. Cap (MMs)</u>
NetApp, Inc. (NTAP)	Rakers	\$73.27	\$72.00	APR.	5.60	5.73	EW	\$15,298

[*NTAP: INSIGHT 2023—Focus on Supporting the Full AI Lifecycle*](#)

Price Target Basis & Risks

Our \$72 price target represents 12x our C2024 est. (vs. historical 5-yr. median of ~13x).

Risks to upside: 1) faster/higher-than-expected market share gains; 2) faster-than-expected adoption of NetApp's Cloud Data Services offerings; 3) More favorable-than-expected commodity pricing environment.

Risks to downside: 1) high levels of competition in the optimized hybrid and all-flash storage industries; 2) architectural transitions in the enterprise data center, public cloud, software-defined storage, convergence, etc.; 3) increased pricing pressure on margins; 4) execution risks.

Industry Consumer
Leisure

	<u>Analyst</u>	<u>Price</u>	<u>Price Target</u>	<u>FY</u>	<u>FY23E</u>	<u>FY24E</u>	<u>Rating</u>	<u>M. Cap (MMs)</u>
Norwegian Cruise Line Holdings Ltd. (NCLH)	Politzer	\$13.92	\$19.00	DEC.	1.85B	2.23B	OW	\$5,922

[*NCLH: 3Q23 Preview, Tweaking Estimates; Analyzing FY24 Israel Capacity Impact; Remain Overweight; PT \\$19 \(-\\$3\)*](#)

Price Target Basis & Risks

Our PT is \$19, and is based on 8.5x 2025E EBITDA of \$2.5b, less net debt (add back 24/25s converts), divided by 476 shares outstanding. Our \$19 PT equates to 14.8x 2025E EPS of \$1.28 (net of FAS123).

Downside risks to our rating and price target include (1) NCLH and the broader cruise industry relies on consumer discretionary spend, which is subject to downturns and/or recessions; (2) Geopolitical tensions or natural disasters may deter cruise demand and/or force last-minute itinerary changes; (3) NCLH is exposed to fluctuations in fuel prices both on the supply side and demand side; (4) If interest rates accelerate from current levels (increase pressure on NCLH's interest expense).

Industry Industrials

[*PKG: Correction: Expect Slightly Positive Reaction to Q3 Beat + Wallula Restart*](#)

Price Target Basis & Risks

During 2001-2022, PKG traded at an average P/E multiple of 21.4x and an average EV/EBITDA multiple of 8.2x. Historical FCF yield over the same time frame averaged 6.3%. PKG has generally traded at a premium to the group P/E and EV/EBITDA multiples of 15.4x and 7.4x due to the company's return profile consistently being in the upper quartile. Based on our 2023 estimates, PKG is currently trading at 15.1x on a P/E basis, 8.7x on an EV/EBITDA basis, and a 7.7% FCF yield. Using our 2024 estimates, PKG is currently trading at 16.2x on a P/E basis, 9.0x on an EV/EBITDA basis, and a 6.7% FCF yield. We view a normalized valuation multiple for PKG as 10.0x EBITDA or a 6.0% FCF yield, implying a price target of \$137 using our 2024 estimates. In our view, a slightly higher multiple is warranted given a history of solid execution and earnings that are likely closer to trough vs. mid-cycle.

Risks that could cause the stock to move away from our price target include significant shifts in raw material pricing & demand for corrugated products. On the other hand, downside risk is present as the company operates a significant portion of containerboard capacity within the Gulf Coast (DeRidder Mill), adding potential hurricanes/storms as a hindrance to operations.

Industry Real Estate
Self Storage REITs

	<u>Analyst</u>	<u>Price</u>	<u>Price Target</u>	<u>FY</u>	<u>FY23E</u>	<u>FY24E</u>	<u>Rating</u>	<u>M. Cap (MMs)</u>
Public Storage, Inc. (PSA)		\$247.93	\$270.00	DEC.	16.60	16.87	OW	\$43,593

[*PSA: Initiate with Overweight Rating and \\$270 PT*](#)

Price Target Basis & Risks

Our \$270 price target is based on our blended Core FFO yield (25% weight), FFO PEG (25%), discounted cash flow (25% weight), and NAV/share (25% weight) approach. Our yield PT implies 240 bps FFO yield premium to 10-year UST. Our Core FFO/sh target is ~16x (4x premium to avg.). Our DCF assumes a 7.9% WACC and 18x terminal value EBITDA multiple (a ~2x discount to historicals). Our P/NAV assumes a 6% market cap rate, a +100 bps premium to 10-year UST.

Risks include: Street rate declines accelerating and putting pressure on realized rent per square foot; move-in and move-out volumes impacting occupancy; regulatory risks to existing customer rate increases; and industry supply increasing and putting pressure on customer rates.

Industry Industrials

[SEE: Announces CEO Transition; Reaffirms FY 2023 guide; Expect Positive Reaction](#)

Price Target Basis & Risks

Historically, during 2001-2022, SEE traded at an average P/E multiple of 16.5x, an average EV/EBITDA multiple of 8.9x, and an average FCF yield of 7.0%. Using our 2024 estimates, SEE is trading at 9.0x on a P/E basis, 7.3x on an EV/EBITDA basis, and a 9.0% FCF yield. We view a normalized multiple of 8.0x forward EBITDA or a 7.6% FCF yield. This equates to a \$35 price target, using our 2024 estimates.

Risks that could cause the stock to move away from our price target include: (i) large shifts in raw materials; (ii) an unanticipated decline in demand for the Company's products; and (iii) movements in foreign exchange. For downside risk, an unfavorable outcome to SEE's pending IRS tax investigation could result in a noticeable cash flow drag. For upside risk, a significant acceleration in manufacturing activity could drive increased demand for their higher margin Product business.

Industry Self Storage REITs

[Self-Storage Outlook: Is the Magic Fading for This Pandemic Darling?](#)

Industry Semiconductors

[NVDA & AMD To Launch Arm-based PC CPUs?](#)

Industry Health Care

Med Tech - Cardiovascular

	Analyst	Price	Price Target	FY	FY23E	FY24E	Rating	M. Cap (MMs)
Shockwave Medical, Inc. (SWAV)	Biegelsen	\$202.17	\$251.00	DEC.	3.28	3.96	EW	\$7,430

[SWAV: Innovation Day Lays Out Product Roadmap; Financial Targets Imply Upside to Consensus](#)

Price Target Basis & Risks

Our \$251 price target applies an ~10x enterprise value multiple to our 2024 sales estimate of \$914M. This multiple is a premium to the peer group, which we believe is justified given SWAV's higher growth and profitability profile.

Upside risks include faster-than-expected IVL adoption, a healthy cadence of product launches, and good share retention in the event of new IVL competition. Downside risks include slower-than-expected IVL adoption, delays to regulatory approvals and product launches, unfavorable litigation developments, and unexpected new competition.

Industry Industrials

[TFIL: No Breakthrough, But Momentum Builds](#)

Price Target Basis & Risks

Our price target of \$160 is based on ~18x our 2024E EPS of \$8.35, and we see our target multiple as reflecting normalization in its relative valuation to LTL peers and KNX. Given the transitory cost headwinds expected in 2023, we believe investors will be increasingly focused on 2024's earning power.

Risks include: 1) transportation is economically sensitive. Rates & margins through the cycle could move meaningfully lower. 2) Shifting regulatory environments or mandated investments could meaningfully affect cash flow. 3) transportation networks require substantial ongoing investment. Chronic underinvestment can lead to catch-up capex and greater cyclical investment. Investors have previously viewed the associated CF cyclical investment unfavorably.

Industry Financial Services

Commercial Lines Insurance

	Analyst	Price	Price Target	FY	FY23E	FY24E	Rating	M. Cap (MMs)
W.R. Berkley Corporation (WRB)	Greenspan	\$62.89	\$75.00	DEC.	4.88	6.15	OW	\$16,196

[WRB: A Consistent Message from Berkley; Q3 and Conference Call Roundup](#)

Price Target Basis & Risks

- Our price target of \$75 is based on just around a 2.2x multiple of our year-end 2024 book value estimate
- Our price target also represents a ~12.2x multiple against our 2024 EPS estimate.

- The 12.2x is close to the lows where WRB has historically traded as we believe the multiple may stay constrained until WRB returns to reporting stronger premium growth and sees the non-cat fire losses dissipate. With that being said, the multiple still provides double-digit upside potential in the name.

Risks to achieving our price target include a slowdown in the firming pricing environment, a spike in inflation resulting in higher loss costs and underlying margins falling short of expectations, adverse reserve development, and a high level of catastrophe losses.

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