

Kings of the World: Millennials

If there is anything the world can rely on, it is that time will pass, children will be born, daughters and sons will see the world differently from mothers and fathers, and new generations will supersede previous ones every twenty years or so.

Concurrently with the rise of industrial-scale P.R. and advertising, the last seven generations of people born in the U.S. and the rest of the world have been given thematic identifiers, the better to denote them for purposes of understanding them and, let's be honest, sell to them. There was the Greatest Generation, born with the 20th century (and through the 1920s), the Silent Generation, born just before the Depression and through the end of WWII, the Baby Boomers, born from after WWII through the introduction of the birth-control pill in 1964, Generation X, running from the following year through 1980, Generation Y or The Millennials – a moniker that identifies people born from 1981 through 1996, the post-Millennials or Generation Z (or Zoomers), born between 1997 and 2014, and finally Generation Beta, being conceived and born as we speak.

Today we will concern ourselves with the millennials, who, while the eldest of them may be waiting for grandchildren, are, as a demographic unit, just coming into their own, socially and economically, in a way that won't be ignored and should be heeded by anyone who wants to be apprised of consumption trends and the myriad ways in which they impact capital markets.

Having been keen followers of the millennials for some years now, we believe them to be more sensitive than ever to the watchwords *credibility*, *authenticity*, and *personality*. To the extent that it is possible or advisable to generalize the behavior of a hundred million people, anyone who wants their custom will need to understand the foundational psychology of the cohort.

Millennials are especially sensitive to and vigilant of perceived *power dynamics*, specifically the following: hierarchies (the anyone-can-post-and-comment ethos of social media has created a preference for a flatter social/communication landscape); the value/downside of tradition; the value of long experience; received wisdom/morality; the elites vs. the common man, the idea of narratives vs. stories vs. facts (expressed as 'fake news', 'gaslighting', relativism, et al, but also as distrust of consensus / prevailing opinion), privacy (seeking to keep their personal data out of the hands of large corporations), and being sold to (preferring an "honest review" by an influencer to an ad by a paid spokesperson).

Thematic Stock Ideas!



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Rebalanced Quarterly

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As a result, a major theme with this cohort is *empowerment*, in the form of: direct contact / easy access (see flat society, above), seeking the comfort that comes with having your preferences catered to (free shipping for online shopping, food and similar items delivered within the hour in cities, pervasive gamification: missions, levels, badges, points, and



leaderboards everywhere: from social media to workplace learning to productivity apps, etc., and baseline low-level entertainment quotient (emojis, animated gifs, et al.); radical autonomy (increasingly available WFH and similar tech-enabled, location-agnostic labor models, accessibly priced electric scooters/bikes, wireless (noise-cancelling) headphones, 3D printing, etc.); cause/meme-themed shopping and investing: ESG, DEI, GameStop/AMC, Robinhood, etc.); and, finally, their increasing influence in the markets, stemming from a pronounced value-seeking outlook *and* rising financial clout (on the back of being good savers *and* recipients of the massive wealth transfer from boomers).

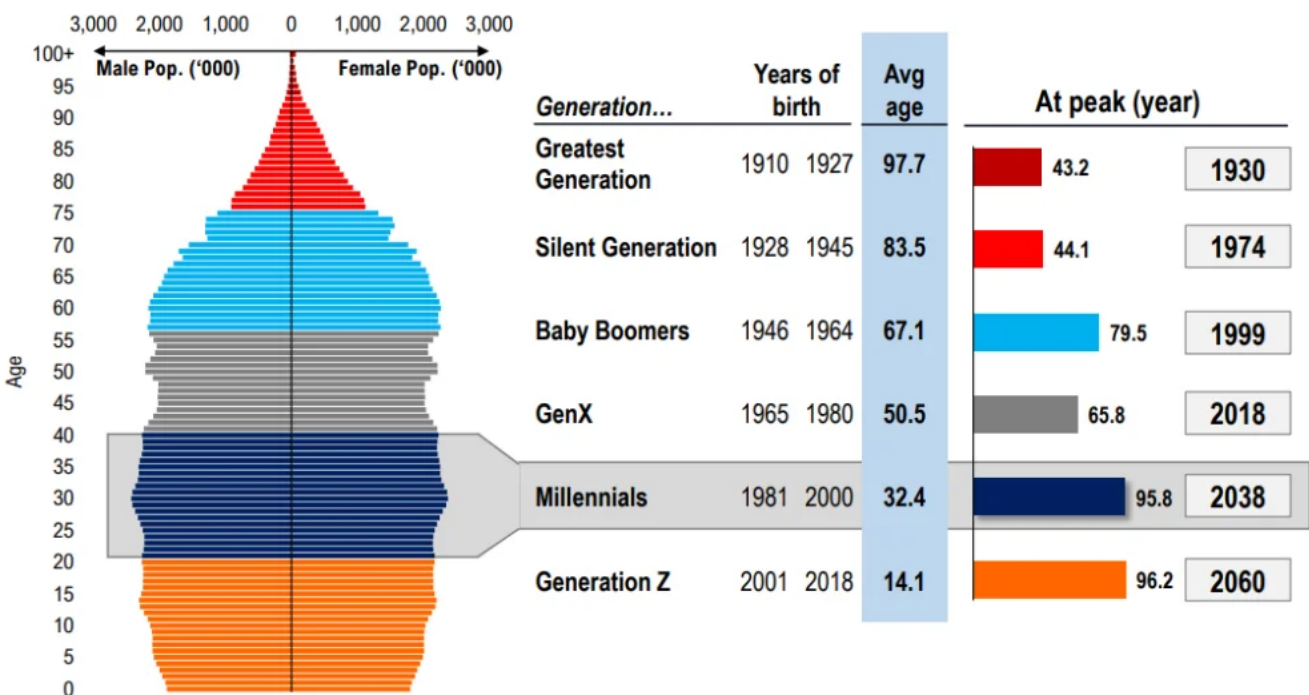
From psychology we move to another meaningful bouquet of characteristics. Another pattern the world can rely on, and one we have covered before, is that, while biology often determines destiny for individuals, demographics are destiny for economies.

Millennial Prime Years

DEMOGRAPHICS: Explains business cycles better than people realize...

- Millennials are significant for two reasons: sheer size, both in the US and the rest of the world, and relatively young age.
- **First, they are the largest single generation ever (larger than Boomers) at a population of 2.5 billion globally.**
 - **Second, at an average age of 32.4, they are just entering their prime income years.**

Figure: Total US Population divided by age groups
Population distribution as of 2021. Average age as of 2023. Data provided by the DESA UN Data sets.



Source: Fundstrat, UN DESA. Peak population figures above include immigration. **Reduced immigration will lead to a smaller overall size of GenZ.



Some hundred million strong, and just entering their prime earning years, millennials are poised to make an impact on the U.S. economy that will rival even that of their once-hippie grandparents – the boomers – who are in the midst of passing on a large chunk of their wealth to their children’s children. More on that below.

It’s clear that the size of the cohort as well as its increasing access to wealth, both earned and inherited, is making millennials more influential players in the financial markets, while the companies that cater to their needs (to the extent that the latter can be identified and meaningfully attributed to such a large group) stand to be buoyed by millennials’ buying power.

Millennial Prime Years

Millennials are just entering their prime income years

Of the 96 million millennials, about 30 million are just entering their prime income years.

- Thus, the key question from an investment perspective is how the millennials will impact the investment market in the coming decades. After all, each generation seemed to prefer a different investment product.

Figure: Composition of Generations by age group
Census bureau



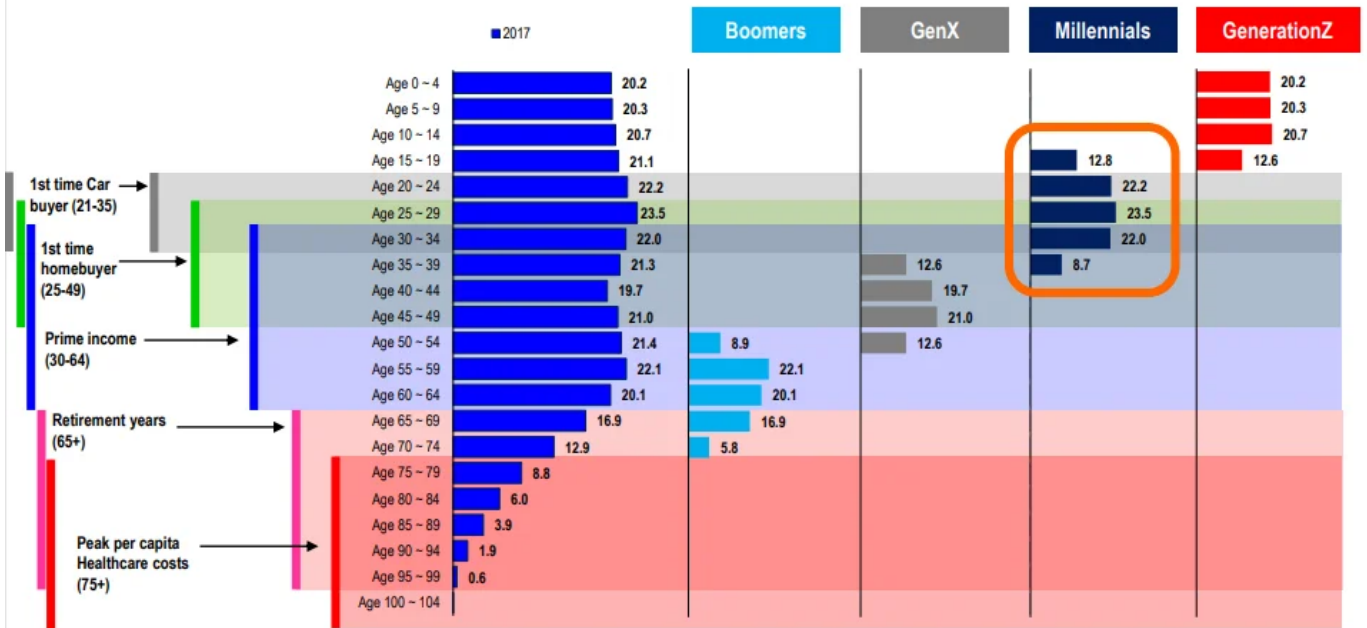
Source: Fundstrat, Bloomberg, Census bureau

Millennials *maturing* autos, *peak* homebuying and *early* prime income

To highlight the life cycle of various generations, we have highlighted population distribution and shown the various generations and their respective distribution. Additionally, we shaded the various life cycle behaviors (auto buying, etc.).

- Millennials are now dominating Automobile purchasing, entering homebuying and beginning to generate prime income.

Figure: Composition of Generations by age group
Census bureau



Source: Fundstrat, Bloomberg, Census bureau

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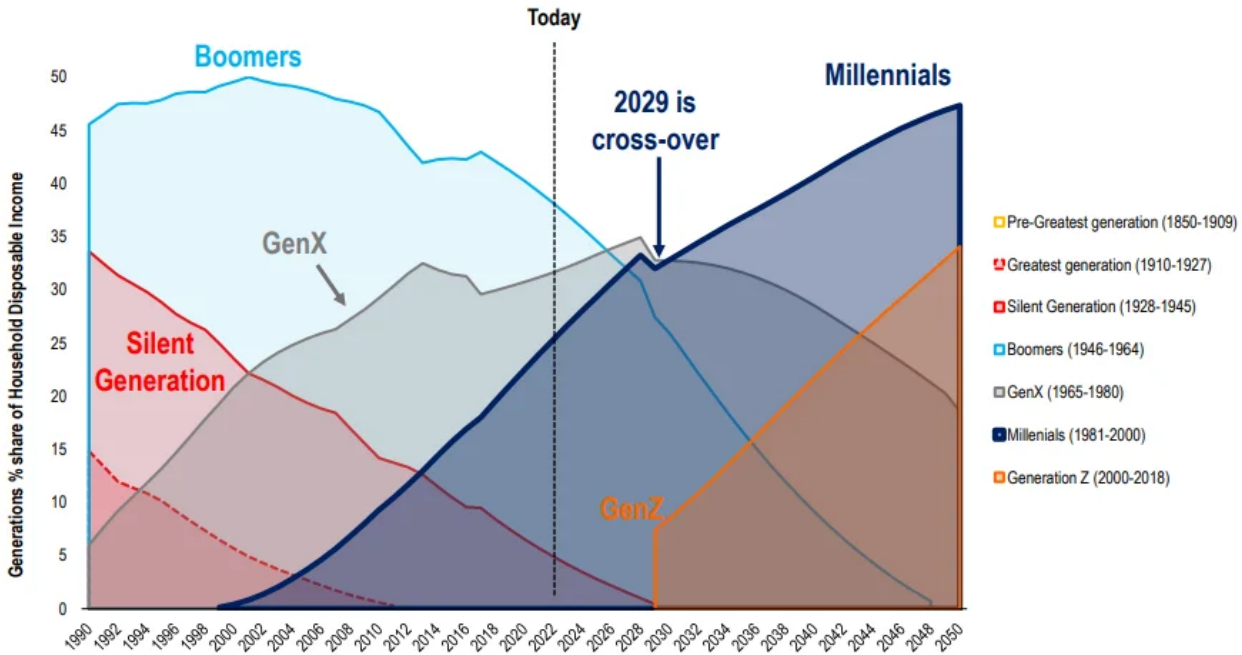
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Their financial future is promising, to say the least.

Millennial Prime Years

And by 2029, Millennials to control the largest share of disposable income...

Figure: Percentage Share of Disposable Income of each generation
From 1990 to 2050



Source: Fundstrat. US Disposable income is nominal SAAR \$. The calculation is based on Federal Survey of Consumer Finance to determine median income by generation. The population data is using single age census data to determine number of millennials of working age. Using this population x income ratio x # millennials determines aggregate income. Income projections based on 2.0% Real GDP growth, 1% inflation and household disposable income share constant of 70%.

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While millennials are the most educated generation in history, they have so far lagged behind the earnings of their predecessors at the same stage of life. Sure, on average, millennials have delayed key financial milestones like homeownership, but this trend is starting to change.



[Click here to watch the replay of the full webinar](#)

Another universal truth is that the young eventually become middle-aged, and then old. Trends we once thought permanent, such as urbanization, were quickly reversed due to the massive disruption of the COVID-19 pandemic. Remote work and perceptions of cities as unsafe led to a reversal of urbanization, though it's unclear to what extent this shift will last. Similarly, the pandemic accelerated the adoption of e-commerce, in which millennials participate unabashedly.

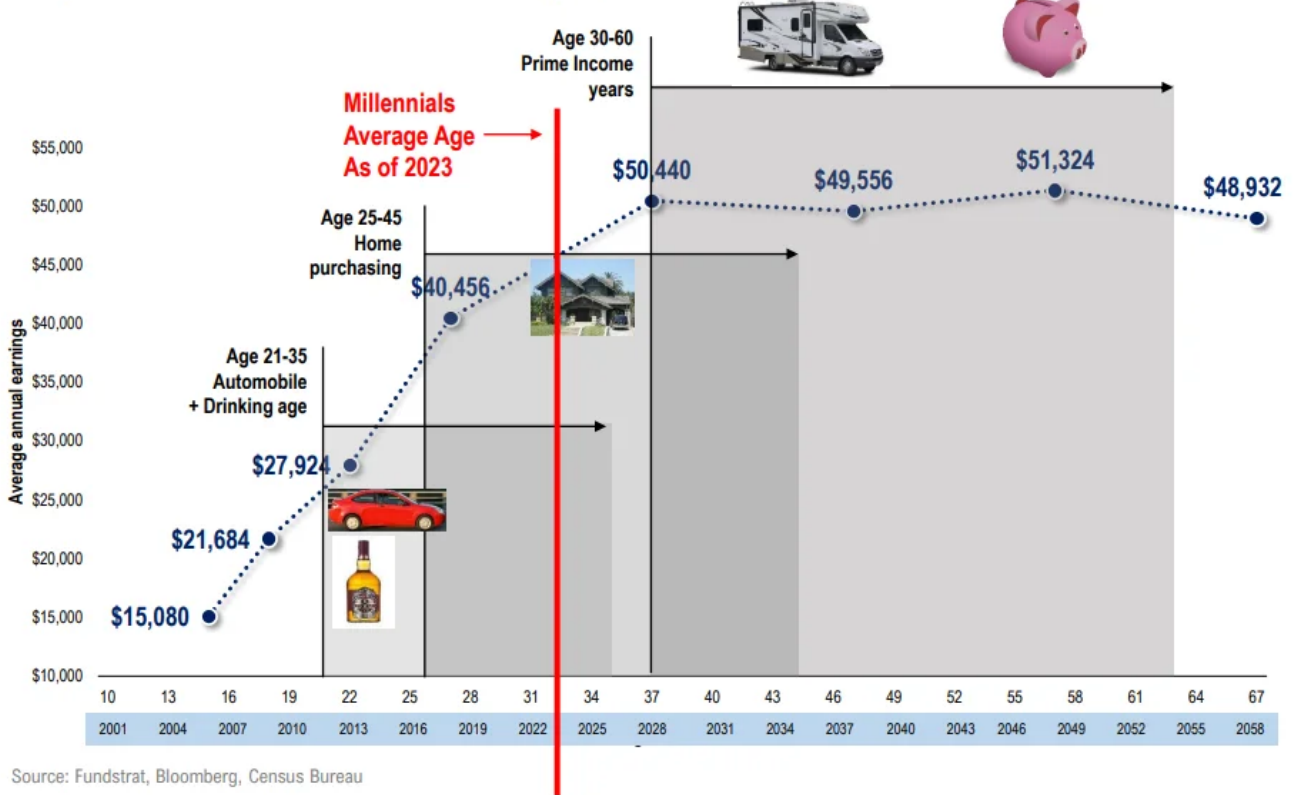


Millennial Prime Years

Millennials average age is 32... still early in life cycle

Life cycle of Millennial spending and income

Survey of Consumer Finance for 2017 "real income" levels (born between 1981-2000)



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One trend the pandemic could not alter is the ironclad link between demographics and bull markets as well as rises in consumer spending. Since consumer spending makes up the lion's share of U.S. economic activity, the entrance of the largest, most educated generation into its peak earning and spending years is a significant tailwind for the U.S. economy. While millennials may have more diverse income sources than their parents, and while they've delayed checking off traditional milestones such as homeownership, they are poised to inherit trillions of dollars as a cohort, which will only add fuel to the fire that their economic activity promises to be.

A key strength of the American economy is its ability to continuously spawn new, disruptive companies that displace incumbents – a feature not seen in every developed economy. The age of maximum economic engagement tends to coincide with the founding of groundbreaking companies. Millennials have already contributed innovative new enterprises to the American business landscape, and more will surely follow. We should remember that the pioneering innovations of baby boomer entrepreneurs were market outperformers for years, and some still are today.



[Click here to watch the replay of the full webinar](#)

... and the most valuable companies at the boomers' peak vs. the most valuable ones today are:

Top 10 U.S. Companies by Revenue

1994 vs 2023

Phillip Morris

\$54B

\$55B

\$60B

\$64B

\$65B

\$75B

\$83B

\$102B

\$128B

\$155B

\$841B

1994

\$3.7T

\$246B

\$264B

\$283B

\$302B

\$322B

\$324B

\$394B

\$414B

\$514B

\$611B

2023

Source: American Business History Center, Fortune



Via Voroniapp



When they're not creating wealth by starting new companies or building careers, as any generation – only, in their case, on a much grander scale – millennials are receiving wealth in the form of an inheritance. Indeed, over the next 20 years, *they are set to receive some \$68 trillion.*

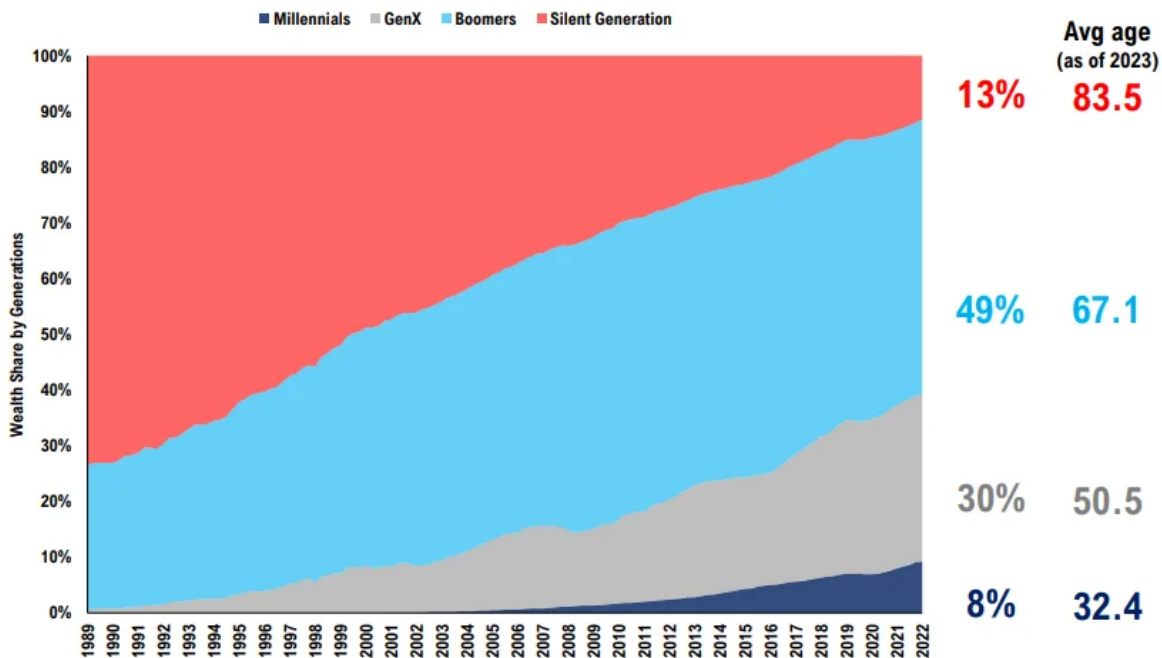
Millennial Prime Years

WEALTH TRANSFER: Millennials set to inherit \$68 trillion in next 20 years

A study by Coldwell Banker ([Coldwell Banker report here](#)) shows Millennials are expected to inherit \$68T over the next 20 years.

- The latest Federal Reserve Survey of Consumer Finances shows that Boomers and Silent Generation control about 62% of the wealth. The Silent Generation controls \$17 trillion today and is an average age of 83.5 (oldest is 95)

Figure: Wealth share by generations Since 1989



Source: Fundstrat, Federal Reserve DFA

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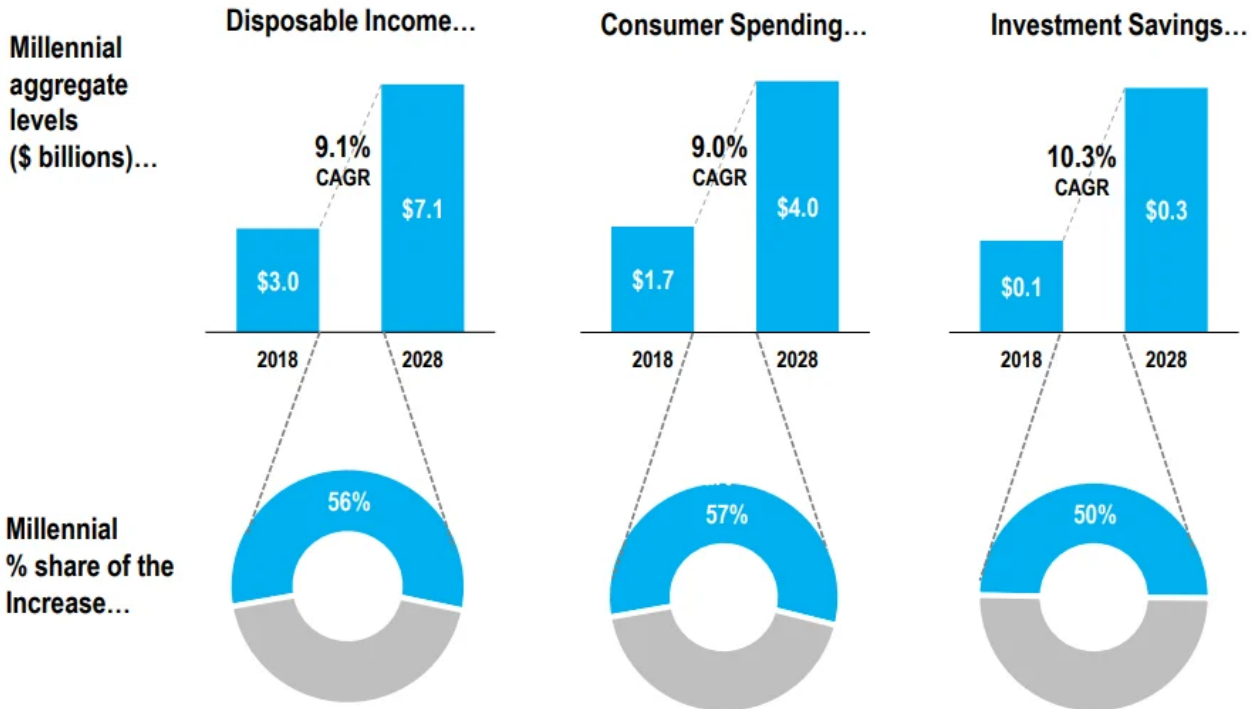
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At the moment, we are quite literally in the middle of a period of large gains in disposable income, spending and savings for millennials.

Millennials >50% gains for annual Income, Spending and Savings 2018-2028

Figure: Millennials will power much of the increase in income, spending and savings
Per Fundstrat



Source: Fundstrat. US Disposable income is nominal SAAR \$. The calculation is based on Federal Survey of Consumer Finance to determine median income by generation. The population data is using single age census data to determine number of millennials of working age. Using this population x income ratio x # millennials determines aggregate income. Income projections based on 2.0% Real GDP growth, 1% inflation and household disposable income share constant of 70%.

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Naturally, these gains, especially gains in disposable income, translate into more spending, and given their much studied specific spending preferences, we can expect millennials to move the markets more and more as they progress through the prime years of their economic impact.

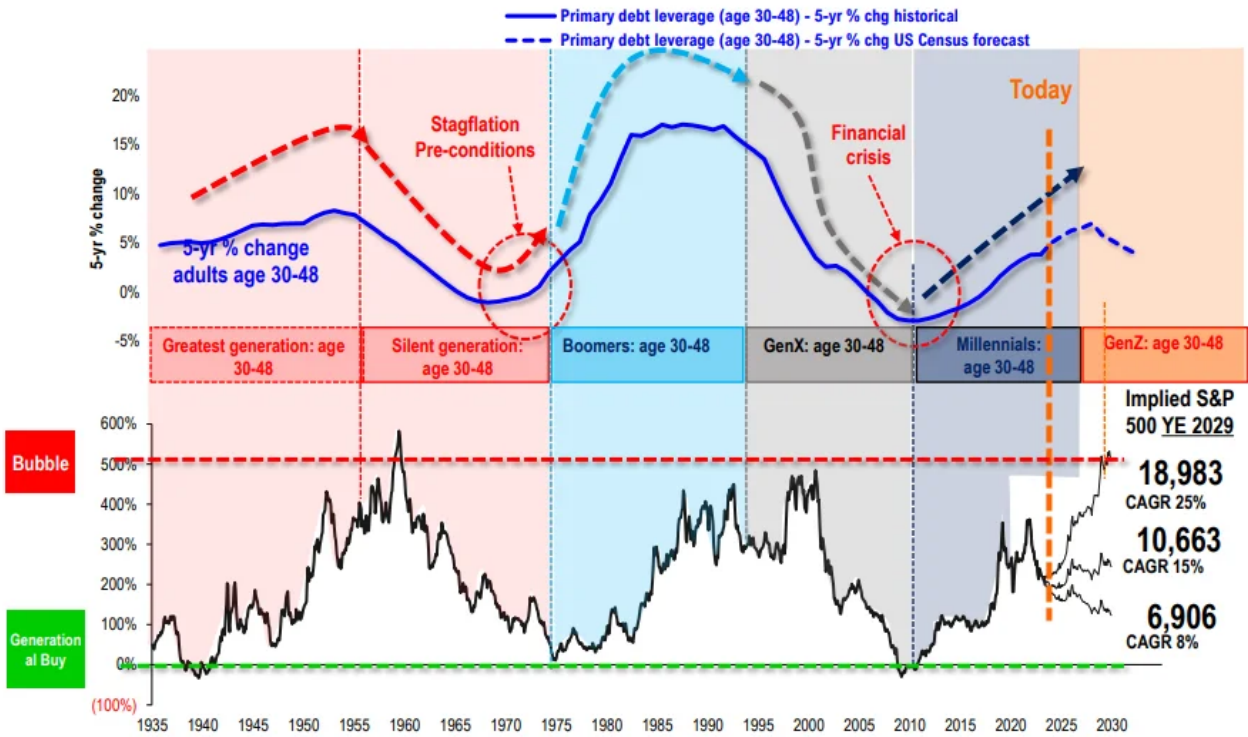


Millennial Prime Years

STOCK: Like housing, equity also follows moves in adults age 30-48

Prime Leverage years: # adults age 30-48

Since 1935 per the US Census Bureau



Source: Fundstrat, Bloomberg, BEA, National Association of Realtors, US Census Bureau

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Digging deeper, we have identified two lists of industries whose exposure to millennials as clients will, in the first case, accelerate their growth and, in the second, transform growth. We present them below.

MILLENNIALS: Identify where transform vs accelerate growth...

- The screening criteria for our Millennial stock list is shown below.

Figure: Criteria for Millennial stock list

Per Fundstrat

Macro: Millennials transform industry or accelerate growth

Transformation		
Category	CAGR 2016-2026 Millennials	Millennial % growth
Mortgage interest and charges	163.4%	93%
Kids Apparel	110.9%	87%
Other apparel products and services	155.4%	86%
Footwear	148.2%	85%
Apparel and services	130.7%	77%
Vehicle finance charges	106.3%	68%
Other entertainment supplies, equipment, and services	124.6%	67%
Furniture	116.4%	67%
Toys, hobbies, and playground equipment	98.6%	66%
Cellular phone service	105.2%	63%
Gasoline and motor oil	107.6%	59%
Household furnishings and equipment	126.9%	59%
Tobacco products and smoking supplies	102.1%	58%
Vehicle purchases (net outlay)	95.4%	56%
Vehicle rental, leases, licenses, and other charges	102.5%	55%
Maintenance and repairs	115.5%	55%
Pets	125.4%	54%
Alcoholic beverages	98.6%	52%
Vehicle insurance	118.7%	51%
Small appliances, miscellaneous housewares	101.3%	50%

Acceleration		
Category	CAGR 2016-2026 Millennials	Millennial % growth
Personal services	90.1%	68%
Other household expenses	129.0%	49%
Water and other public services	131.3%	52%
Other household products	121.1%	48%
Electricity	115.3%	50%
Laundry and cleaning supplies	122.7%	53%
Cereals and bakery products	122.2%	57%
Shelter	105.4%	54%
Major appliances	141.3%	57%
Personal care products and services	119.4%	55%
Food at home	120.0%	57%
Miscellaneous household equipment	133.3%	57%

Millennial Stock List

Qualitative: Company higher exposure to Millennials

Quantitative Stock Selection: DQM quintile 1

We have further identified specific companies whose growth is poised to be accelerated or transformed, as well as, separately, a number of small- and mid-cap stocks that stand to benefit from the tremendous economic power of millennials.



MILLENNIALS: Stocks levered to transformation and/or growth

We identified 28 stock ideas from our Quant Model (DQM) that will benefit from the growth of Millennials' spending.

- 20 ideas are from the industries where spending by Millennials will outpace the spending of Boomers. 8 ideas are from the industries where Millennials' spending will accelerate expenditure growth.

Figure: 28 ideas Per Fundstrat

Company information						Analyst Ratings					Fundamentals & Valuation			
						FC Mean (5=Buy 1=Sell) (1)	Mean implied upside (2)	Dividend Yield	Issuer Rating	Short interest % of float	2024E sales growth (3)	2024E EPS growth (3)	P/E (24E)	ROE
Ticker	Company name	Current Price	Mkt cap (\$ mm)	3m avg daily liquidity (\$ mm)	YTD perf (relative to S&P 500)									
Industries that will be transformed by Millennials														
Apparel, Accessories & Luxury	1 COLM Columbia Sportswear Co	\$75.39	\$4,508	\$40.0	-14.3%	3.00	-3%	1.6%	—	7.9%	-2%	-10%	20.5x	13%
	2 TPR Tapestry Inc	\$41.77	\$9,579	\$183.5	4.4%	4.22	21%	3.4%	BBB	2.9%	1%	9%	9.9x	37%
Automotive Parts & Equipment	3 BWA Borgwarner Inc	\$34.45	\$7,955	\$97.4	-13.0%	4.14	14%	1.7%	BBB	5.5%	4%	4%	8.8x	10%
Automobile Manufacturers	4 TSLA * Tesla Inc	\$175.55	\$59,090	\$19,384.6	-38.4%	3.20	9%	—	BBB	3.9%	9%	-13%	64.7x	28%
Automotive Retail	5 ORLY O'Reilly Automotive Inc	\$1,082.90	\$63,920	\$383.7	4.9%	4.23	4%	—	BBB	1.2%	7%	10%	25.6x	—
Footwear	6 NKE Nike Inc -Cl B	\$92.04	\$138,914	\$937.7	-24.3%	4.05	20%	1.6%	AA-	1.5%	2%	7%	23.2x	36%
Other Specialty Retail	7 ULTA Ulta Beauty Inc	\$447.83	\$21,615	\$399.1	-17.7%	3.90	26%	—	—	2.7%	5%	2%	16.8x	61%
Technology Hardware, Storage & Transaction & Payment Process	8 AAPL Apple Inc	\$174.93	\$2,701,171	\$10,745.2	-16.2%	3.95	13%	0.6%	AA+	0.7%	1%	7%	26.7x	154%
	9 PYPL PayPal Holdings Inc	\$65.94	\$70,665	\$1,064.5	-1.7%	3.65	6%	—	A-	2.0%	7%	1%	12.8x	21%
	10 SQ * Block Inc	\$80.03	\$49,271	\$759.1	-5.6%	4.36	15%	0.0%	BB+	2.4%	14%	7%	24.8x	0%
Consumer Finance	11 AXP American Express Co	\$218.50	\$157,325	\$650.1	7.6%	3.79	2%	1.3%	BBB+	1.3%	9%	15%	17.0x	31%
Diversified Banks	12 JPM Jpmorgan Chase & Co	\$196.03	\$563,016	\$1,598.3	6.2%	4.43	6%	2.2%	A-	0.8%	3%	-2%	12.3x	17%
Property & Casualty Insurance	13 ALL Allstate Corp	\$166.04	\$43,793	\$267.6	9.5%	4.09	9%	2.2%	BBB+	1.1%	10%	1249%	13.0x	-2%
Brewers	14 TAP Molson Coors Beverage Co - B	\$67.73	\$14,368	\$107.3	1.6%	3.35	2%	2.6%	BBB	5.1%	1%	4%	11.9x	7%
Diversified Chemicals	15 BFB Brown-Forman Corp-Class B	\$50.53	\$24,102	\$92.4	-20.0%	3.11	16%	1.8%	A-	3.2%	3%	1%	25.5x	31%
Tobacco	16 PM Philip Morris International	\$99.50	\$138,937	\$512.1	-14.0%	4.56	20%	5.9%	A-	0.5%	6%	6%	14.0x	—
Interactive Media & Services	17 GOOG Alphabet Inc-CI C	\$160.83	\$1,990,140	\$3,359.4	5.0%	4.41	3%	0.0%	AA+	0.7%	12%	17%	23.7x	27%
	18 META Meta Platforms Inc-Class A	\$223.31	\$1,334,129	\$8,180.6	38.8%	4.65	2%	0.2%	AA-	1.2%	17%	35%	26.1x	28%
Movies & Entertainment	19 DIS Walt Disney Co/The	\$117.45	\$215,442	\$1,346.5	21.0%	4.42	8%	1.2%	A-	1.1%	3%	25%	25.0x	3%
Wireless Telecommunication Ser	20 TMUS T-Mobile Us Inc	\$160.63	\$190,647	\$742.4	-8.9%	4.64	17%	1.6%	BBB	4.6%	2%	28%	18.0x	12%
Industries where their consumer spending will be accelerated by Millennials														
Consumer Electronics	1 GRMN Garmin Ltd	\$146.35	\$28,065	\$128.6	4.8%	3.22	1%	2.5%	—	1.9%	9%	-3%	26.9x	20%
Homebuilding	2 TOL Toll Brothers Inc	\$120.29	\$12,531	\$156.4	7.9%	4.00	8%	0.7%	BBB-	2.7%	1%	10%	8.8x	21%
Environmental & Facilities Ser	3 WM Waste Management Inc	\$206.02	\$82,737	\$344.6	6.0%	3.82	3%	1.5%	A-	1.1%	6%	12%	29.8x	34%
Household Products	4 PG Procter & Gamble Co/The	\$156.08	\$367,260	\$1,068.3	-2.6%	4.24	9%	2.5%	AA-	0.7%	3%	9%	24.2x	32%
Packaged Foods & Meats	5 GIS General Mills Inc	\$67.12	\$37,890	\$282.9	-6.0%	3.18	7%	3.7%	BBB	2.8%	1%	4%	14.3x	26%
Personal Care Products	6 EL Estee Lauder Companies-CI A	\$145.45	\$52,140	\$394.4	-9.6%	3.71	10%	1.9%	A	2.4%	-1%	-35%	64.8x	8%
Soft Drinks & Non-Alcoholic Be	7 MNST Monster Beverage Corp	\$84.75	\$56,975	\$296.4	-14.0%	4.29	15%	—	—	1.9%	11%	18%	30.1x	21%
Multi-Utilities	8 ED Consolidated Edison Inc	\$88.83	\$30,638	\$157.3	-11.4%	2.68	3%	3.7%	A-	1.6%	5%	5%	16.7x	12%
Average			\$20,244	\$1,916.4	-3.7%	3.90	9%	1.9%	2.3%	5%	53%	22.7x	26%	
Median			\$60,448	\$396.7	-4.1%	4.02	8%	1.7%	1.9%	4%	7%	21.9x	21%	
% of stocks positive					43%		96%			93%	82%		96%	

Source: Fundstrat, Factset, Bloomberg

ULTA (Ulta Beauty, Inc.): Ulta Beauty is a leading beauty retailer that offers a unique combination of mass and prestige cosmetics, skincare, haircare, and fragrance products. The company operates over 1,200 stores across the United States, providing consumers with a one-stop-shop experience for all their beauty needs. Ulta's broad merchandise assortment, appealing loyalty program, and focus on an engaging in-store experience have allowed it to capture market share and become a dominant player in the highly competitive beauty industry. With continued expansion opportunities, investments in omnichannel capabilities, and a strong brand, Ulta appears well-positioned for sustained growth.

AXP (American Express Company): American Express is a premier global payments and travel company. It is best known for its credit card products, which cater to consumers and businesses. AmEx differentiates itself through its focus on premium and affluent customers, offering rewards, benefits, and customer service that appeal to this lucrative segment. The company also operates a successful global merchant network and corporate

payments business. Despite facing increased competition in the payments industry, AmEx boasts strong brand loyalty, diversified revenue streams, and disciplined risk management, which make it an attractive long-term investment.

JPM (JPMorgan Chase & Co.): JPMorgan Chase is one of the largest and most diversified financial services firms in the world. It operates through four main business segments: Consumer & Community Banking, Corporate & Investment Bank, Commercial Banking, and Asset & Wealth Management. JPMorgan's scale, diversification, and industry-leading capabilities in investment banking, commercial lending, asset management, and other areas have allowed it to consistently generate strong financial performance. The company's disciplined risk management, technological innovations, and strategic acquisitions position it well to navigate the evolving financial landscape.

TAP (Molson Coors Beverage Company): Molson Coors Beverage Company is a leading global brewer with a portfolio of iconic beer brands, including Coors Light, Miller Lite, and Molson Canadian. The company has operations in the United States, Canada, Europe, and other international markets. While facing headwinds from shifting consumer preferences toward spirits and craft beer, Molson Coors has worked to revitalize its core brands, expand into adjacent categories like hard seltzers, and optimize its operations. The company's strong brand recognition, distribution network, and focus on cost efficiencies could help it navigate the challenging beer industry environment.

DIS (The Walt Disney Company): The Walt Disney Company is a diversified global entertainment and media conglomerate. Its business segments include Media Networks, Parks, Experiences and Products, Studio Entertainment, and Direct-to-Consumer & International. Disney's vast intellectual property, including iconic brands like Marvel, Pixar, and Star Wars, as well as its world-class theme parks and growing direct-to-consumer streaming offerings, make it a unique and valuable asset. Despite facing pandemic- and corporate governance-related disruptions, Disney sees its long-term growth prospects as strong as it continues to leverage its brand power and adapt to the evolving media landscape.

GRMN (Garmin Ltd.): Garmin is a leading manufacturer of global positioning system (GPS) navigation and wearable technology products. The company's diverse product portfolio includes fitness trackers, smartwatches, aviation equipment, marine electronics, and outdoor recreation devices. Garmin has established a reputation for quality, innovation, and technology leadership in its key markets. As consumer demand for connected devices



and wellness tracking continues to grow, Garmin appears well-positioned to capitalize on these trends and expand its market share.

TOL (Toll Brothers, Inc.): Toll Brothers is one of the nation’s leading builders of luxury homes. The company operates in twenty-four states, primarily targeting affluent buyers in the move-up, empty-nester, and active adult markets. Toll Brothers is known for its high-quality construction, thoughtful design, and amenity-rich communities. Despite near-term headwinds from high interest rates and economic uncertainty, the company’s focus on the luxury segment, strong brand recognition, and land banking strategy position it well to navigate market cycles and capture long-term growth opportunities in the residential housing industry.

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MILLENNIALS: 25 SMID Ideas

Company information					Analyst Ratings					Fundamentals & Valuation				
Ticker	Company name	Current Price	Mkt cap (\$ mm)	YTD perf (relative to S&P 500)	FC Mean (5=Buy 1=Sell)	Mean implied upside	Div. Yield	Issuer Rating	Short interest % of float	2024E sales growth	2024E EPS growth	P/E ('24E)	ROE	
1	CARG	Cargurus Inc	\$22.88	\$2,458	-14.3%	4.23	10%	--	--	8.4%	-0%	6%	17.5x	5%
2	SSTK	Shutterstock Inc	\$42.58	\$1,513	-20.8%	3.29	25%	--	--	20.5%	0%	-21%	12.4x	23%
3	AEO	American Eagle Outfitters	\$23.60	\$4,653	2.5%	3.15	2%	2.2%	--	12.7%	3%	13%	13.7x	10%
4	ANF	Abercrombie & Fitch Co-CI A	\$116.47	\$5,943	23.0%	3.67	15%	0.0%	BB-	8.8%	6%	22%	15.2x	38%
5	KTB	Kontoor Brands Inc	\$54.23	\$3,024	-22.1%	4.25	18%	3.7%	BB	8.5%	-0%	5%	11.6x	74%
6	WGO	Winnebago Industries	\$65.69	\$1,923	-18.9%	3.77	14%	2.0%	BB-	19.5%	-10%	-34%	12.9x	9%
7	CVNA	Carvana Co	\$80.44	\$15,504	42.9%	2.88	-22%	--	CCC+	28.2%	3%	-479%	nm	--
8	SONO	Sonos Inc	\$17.80	\$2,204	-5.1%	4.60	39%	--	--	5.3%	-0%	527%	52.1x	-1%
9	DUOL	Duolingo	\$216.40	\$9,278	-13.6%	3.93	17%	--	--	5.5%	37%	254%	nm	3%
10	LRN	Stride Inc	\$60.06	\$2,605	-7.8%	4.60	19%	--	--	12.7%	10%	43%	14.2x	18%
11	UDMY	Udemy Inc	\$10.18	\$1,609	-39.9%	4.33	52%	--	--	4.3%	10%	66%	nm	-31%
12	DECK	Deckers Outdoor Corp	\$819.93	\$21,046	13.7%	4.09	13%	--	--	3.6%	11%	12%	27.1x	37%
13	SHOO	Steven Madden Ltd	\$39.22	\$2,876	-15.6%	3.40	14%	2.3%	--	3.9%	12%	7%	15.0x	21%
14	TPX	Tempur Sealy International I	\$51.37	\$8,918	-8.2%	4.60	22%	1.0%	BB	8.1%	4%	15%	18.7x	--
15	WSM	Williams-Sonoma Inc	\$294.47	\$18,879	36.9%	3.00	-3%	1.5%	--	9.6%	-0%	3%	19.3x	50%
16	HIBB	Hibbett Inc	\$71.92	\$848	-9.1%	3.75	4%	1.4%	--	13.1%	1%	1%	8.7x	26%
17	SHAK	Shake Shack Inc - Class A	\$99.44	\$4,207	25.2%	3.61	5%	--	--	8.4%	15%	85%	nm	5%
18	OSW	Onespaworld Holdings Ltd	\$12.87	\$1,292	-17.7%	5.00	34%	--	--	1.4%	8%	17%	17.4x	-1%
19	ELF	Elf Beauty Inc	\$167.22	\$9,282	6.9%	4.33	25%	--	--	5.1%	28%	20%	46.7x	26%
20	ALRM	Alarm.Com Holdings Inc	\$68.34	\$3,413	-3.2%	4.25	18%	--	--	2.1%	5%	3%	32.0x	13%
21	BRZE	Braze Inc-A	\$43.24	\$4,360	-27.6%	4.83	56%	--	--	8.0%	22%	64%	nm	-29%
22	MSTR	Microstrategy Inc-CI A	\$1,551.81	\$26,331	136.7%	5.00	12%	--	CCC+	22.6%	1%	-107%	nm	--
23	SPT	Sprout Social Inc - Class A	\$56.34	\$3,185	-17.3%	4.85	30%	--	--	18.3%	28%	63%	nm	-46%
24	PLUS	Eplus Inc	\$77.53	\$2,090	-11.9%	3.67	1%	--	--	3.5%	5%	6%	14.3x	16%
25	CSR	Centerspace	\$61.25	\$913	-3.8%	3.89	3%	4.9%	--	1.3%	1%	-147%	nm	6%
Average			\$6,334	1.2%	4.04	17%	2.1%	9.7%	8%	18%	20.5x	12%		
Median			\$3,185	-8.2%	4.09	15%	2.0%	8.4%	5%	12%	15.2x	11%		
% of stocks positive				12%		92%			80%	80%		77%		

Source: Fundstrat, Bloomberg, Factset

ANF (Abercrombie & Fitch Co.): Abercrombie & Fitch is a major American retailer of casual clothing, accessories, and personal care products, primarily targeted at teenagers and young adults. The company operates over 850 stores worldwide under the Abercrombie & Fitch, Abercrombie Kids, and Hollister Co. brands. While experiencing challenges in recent years amid shifting consumer preferences, the company has worked to revitalize its brand

and product offerings. With a focus on improving online sales and expanding its international footprint, Abercrombie & Fitch appears poised for a potential turnaround, though the highly competitive teen apparel market remains a headwind.

DECK (Deckers Outdoor Corporation): Deckers Outdoor is a leading designer, marketer, and distributor of innovative footwear and apparel. The company's portfolio of premium brands includes UGG, Koolaburra, HOKA, Teva, and Sanuk. UGG, its flagship brand, is a global lifestyle brand known for its iconic sheepskin boots. Deckers has successfully diversified beyond UGG in recent years, expanding its product lines and distribution channels. With strong brand recognition, a focus on innovation, and growing demand for its outdoor, comfort, and lifestyle products, Deckers appears well-positioned to capitalize on consumer trends and drive further growth.

ELF (e.l.f. Beauty, Inc.): e.l.f. Beauty is a fast-growing cosmetics company that offers high-quality, affordable beauty products. The company's product portfolio includes color cosmetics, skincare, and other beauty essentials sold under the e.l.f. and e.l.f. SKIN brands. e.l.f. has found success by offering prestige-quality formulas at accessible price points, appealing to a diverse customer base. The company has a strong omnichannel strategy, selling through its own e-commerce platform as well as major mass retailers. With a focus on innovation, expanding product lines, and growing its digital presence, e.l.f. Beauty appears poised to continue its momentum and gain market share within the highly competitive color cosmetics industry.

In summary, we can say that, buoyed by the large size and wealth-transfer time frame of their grandparents' (boomers') generation and the U.S. economy's determination to cater to their specific tastes, millennials have every chance of being the engine of the domestic economy over the next 20-plus years, and the companies we spotlight above – both in the general market as well as the small- and mid-cap categories – should be well positioned to benefit from the trend.

As usual, Signal From Noise should serve as a starting point for further research before making an investment, rather than as a source of stock recommendations. Although the names mentioned above each have the potential to benefit from the growing purchasing power and wherewithal of millennials, this alone should not be the basis of a decision to invest.

We encourage you to explore our full Signal From Noise library, which includes deep dives on the path to automation and opportunities arising from the ever-increasing global water



crisis. You'll also find a recent discussion of the [Magnificent Seven](#), [artificial intelligence](#), and the rise of [Generation Z](#).

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