King Yuan Electronics Corp.

HPC demand resilience more than offsets near term depreciation hike

Reiterate Rating: BUY | PO: 330.00 TWD | Price: 242.00 TWD

08 August 2026

Equity

Healthy sales; GM dip on milder UTR recovery & cost hike

2Q26 sales was up 9% QoQ backed by Ironwood TPU strength, better consumer builds, foundry chip probing outsourcing and stable Blackwell GPU though partially offset by slower Rubin testing ramp due to spec redesign. While sales remains resilient, 1.5% GMs dilution from Singapore facility ramp and higher summer electricity cost put GMs stable QoQ at 39.5% in 2Q26. The 1x expense on land-use conversion dragged OpM by 180bps QoQ to 25.4%, taking 2Q26 EPS to NT$1.98 (vs. BofAe/street NT$2.12/NT$2.15). 3Q26 sales is guided +7-9% QoQ, as Rubin GPU testing unit ramps through the quarter and healthy Google TPU/CPU demand balanced by soft mobile business. With high-end testers not fully utilized until late-'26 when GPU testing reaches optimized run-rate and hiking depreciation from equipment/facilities, 3Q26 GM is guided to drop to 36-38%.

Solid position into 2027 across chipset and wafer testing

We model KYEC's sales to grow 37% YoY in '26 factoring+24% HoH in 2H26, reasonable considering the diversifying demand from ramping GPU, CPU, networking switches and ASICs. Specifically, we expect its sales to grow by 40%+ YoY in '27 as it keeps the dominant market share in final testing, burn-in and system level testing for HPC/AI chipsets as its back-end peers focus on the advanced packaging due to space constraint. We think the incremental gains from more chip probing outsourcing and favorable product mix shift and its modest testing price hike amid tight supply should lift its GMs to 40%+ by 4Q26 and into '27 even with higher depreciation from its US capacity expansion.

Recent pullback to midcycle val: enhanced buying opp

We cut our EPS for '26/27/28 from NT$10.14/18.24/21.32 to NT$8.38/16.59/20.57 on lower sales/GM assumption, and lower PO from NT$370 to NT$330 still on 20x '27 P/E (vs. its 10-25x P/E range). We reiterate our Buy rating as we believe the concern on Rubin GPU testing time reduction is overdone and view the recent pullback, which sees valuation at 15x '27E P/E, as an enhanced buying opportunity while also noting its solid earnings outlook in '26-28E (+57% CAGR).

Estimates (Dec) (NT$)	2024A	2025A	2026E	2027E	2028E
Net Income (Adjusted - mn)	7,779	11,016	10,769	21,325	26,437
EPS	6.06	8.58	8.38	16.59	20.57
EPS Change (YoY)	33.2%	41.6%	-2.3%	98.0%	24.0%
Dividend / Share	3.81	0.952	9.14	4.76	4.76
Free Cash Flow / Share	2.82	(14.96)	(21.17)	5.52	16.82
Valuation (Dec)					
P/E	39.94x	28.21x	28.88x	14.59x	11.77x
Dividend Yield	1.57%	0.394%	3.78%	1.97%	1.97%
EV / EBITDA*	25.71x	21.01x	13.77x	8.09x	6.77x
Free Cash Flow Yield*	1.16%	-6.18%	-8.75%	2.28%	6.96%

* For full definitions of *iQmethod*SM measures, see page 7.

Key Changes

(NT$)	Previous	Current
Price Obj.	370.00	330.00
2026E EPS	10.14	8.38
2027E EPS	18.24	16.59
2028E EPS	21.32	20.57
2026E EBITDA (m)	27,906.0	25,209.0
2027E EBITDA (m)	44,765.6	42,889.6
2028E EBITDA (m)	51,260.2	51,282.9

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Stock Data

Price	242.00 TWD
Price Objective	330.00 TWD
Date Established	8-Aug-2026
Investment Opinion	C-1-7
52-Week Range	111.90 TWD-350.00 TWD
Mrkt Val / Shares Out (mn)	9,639 USD / 1,283.9
Market Value (mn)	310,700 TWD
Average Daily Value (mn)	215.56 USD
Free Float	89.1%
BofA Ticker / Exchange	KYUFF / TAI
Bloomberg / Reuters	2449 TT / 2449.TW
ROE (2026E)	16.9%
Net Dbt to Eqty (Dec-2025A)	24.4%

TPU: Tensor Processing Unit

GPU: Graphic Processing Unit

CPU: Central Processing Unit

ASIC: Application Specific Integrated

iQprofile[SM] King Yuan Electronics Corp.

Key Income Statement Data (Dec)	2024A	2025A	2026E	2027E	2028E
(NT$ Millions)					
Sales	26,856	34,934	47,865	73,889	87,374
Gross Profit	9,344	12,522	18,804	32,342	39,060
Sell General & Admin Expense	(2,316)	(2,589)	(4,532)	(4,836)	(5,096)
Operating Profit	6,172	9,003	12,974	25,967	32,278
Net Interest & Other Income	(201)	1,626	341	400	563
Associates	NA	NA	NA	NA	NA
Pretax Income	5,972	10,629	13,315	26,367	32,841
Tax (expense) / Benefit	(1,211)	(2,624)	(2,546)	(5,042)	(6,404)
Net Income (Adjusted)	7,779	11,016	10,769	21,325	26,437
Average Fully Diluted Shares Outstanding	1,290	1,289	1,285	1,285	1,285
Key Cash Flow Statement Data					
Net Income	4,445	7,963	10,769	21,325	26,437
Depreciation & Amortization	7,324	7,513	12,235	16,923	19,005
Change in Working Capital	1,444	(1,516)	(3,438)	(6,260)	966
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	5,263	(808)	(266)	104	211
Cash Flow from Operations	18,475	13,152	19,300	32,092	46,618
Capital Expenditure	(14,857)	(32,355)	(46,500)	(25,000)	(25,000)
(Acquisition) / Disposal of Investments	167	(1,947)	(2,056)	0	0
Other Cash Inflow / (Outflow)	335	21,225	(5,891)	1,597	666
Cash Flow from Investing	(14,355)	(13,078)	(54,447)	(23,403)	(24,334)
Shares Issue / (Repurchase)	0	0	0	0	0
Cost of Dividends Paid	(3,913)	(4,891)	(1,223)	(11,738)	(6,114)
Cash Flow from Financing	(2,781)	4,613	24,710	4,682	10,318
Free Cash Flow	3,619	(19,204)	(27,200)	7,092	21,618
Net Debt	10,251	12,311	27,091	14,721	(16,881)
Change in Net Debt	421	5,231	48,667	2,630	(16,602)
Key Balance Sheet Data					
Property, Plant & Equipment	34,924	60,554	95,324	103,022	108,608
Other Non-Current Assets	7,869	11,705	20,013	21,056	21,167
Trade Receivables	6,032	7,203	11,464	18,735	18,832
Cash & Equivalents	10,329	17,964	7,526	20,896	53,498
Other Current Assets	27,557	3,753	5,196	6,028	6,588
Total Assets	86,711	101,178	139,523	169,737	208,692
Long-Term Debt	20,581	30,275	34,617	35,617	36,617
Other Non-Current Liabilities	4,512	4,546	9,234	9,949	10,015
Short-Term Debt	0	0	0	0	0
Other Current Liabilities	16,907	15,919	18,698	20,583	22,200
Total Liabilities	41,999	50,740	62,549	66,148	68,832
Total Equity	44,711	50,438	76,974	103,588	139,860
Total Equity & Liabilities	86,711	101,178	139,523	169,737	208,692
iQ*method[SM] - Bus Performance					
Return On Capital Employed	7.3%	9.1%	10.3%	15.6%	15.6%
Return On Equity	18.9%	23.5%	16.9%	23.6%	21.7%
Operating Margin	23.0%	25.8%	27.1%	35.1%	36.9%
EBITDA Margin	50.3%	47.3%	52.7%	58.0%	58.7%
iQ*method[SM] - Quality of Earnings					
Cash Realization Ratio	2.4x	1.2x	1.8x	1.5x	1.8x
Asset Replacement Ratio	2.0x	4.3x	3.8x	1.5x	1.3x
Tax Rate (Reported)	20.3%	24.7%	19.1%	19.1%	19.5%
Net Debt-to-Equity Ratio	22.9%	24.4%	35.2%	14.2%	-12.1%
Interest Cover	14.1x	48.5x	30.0x	NM	NM

Key Metrics

* For full definitions of *iQmethod*[SM] measures, see page 7.

Company Sector

Semiconductors

Company Description

Founded in 1987 and headquartered in Hsinchu, Taiwan, King Yuan Electronics Corp. (KYEC) is a niche Outsourced Semiconductor Assembly and Test (OSAT) company focused on IC testing services, with market shares of 3% in OSAT (IC packaging+testing, number 7 vendor) and 14% in IC testing (number 2 vendor) globally. Its capacity is mainly located in Greater China. In addition to IC testing, it has c.20% revenue exposure to IC packaging, mainly at its Chinese subsidiary and mainly for memory products.

Investment Rationale

We have a Buy rating on KYEC, in view of undervalued upside from smartphone business for both near-term and longer-term, structural opportunities in AI areas led by GPU, as well as the solid GPM/ROE expansion toward into 2025.

Stock Data

Price to Book Value	4.0x

Focus tables

Exhibit 1: KYEC 2Q26-3Q26 and 2026-27 estimates BofAe vs. street
We cut our EPS estimates for '26/27 to NT$8.38/16.59

	2Q26E			3Q26E			2026E			2027E		
	Actual	**Old**	**Street**	**BofAe**	**Old**	**Street**	**BofAe**	**Old**	**Street**	**BofAe**	**Old**	**Street**
Sales (NT$mn)	$11,142	$11,279	$11,236	$12,163	$13,828	$12,962	$47,865	$51,481	$49,433	$73,889	$77,407	$70,337
Sales QoQ / YoY (%)	9.3%	10.7%	10.2%	9.2%	22.6%	15.4%	37.0%	47.4%	41.5%	54.4%	50.4%	42.3%
Gross profit (NT$mn)	$4,400	$4,510	$4,440	$4,561	$5,818	$5,191	$18,804	$21,287	$19,783	$32,342	$34,632	$29,090
GMs (%)	39.5%	40.0%	39.5%	37.5%	42.1%	40.0%	39.3%	41.3%	40.0%	43.8%	44.7%	41.4%
Operating profit (NT$mn)	$2,828	$3,163	$3,197	$3,122	$4,346	$3,923	$12,974	$15,622	$14,623	$25,967	$27,977	$23,016
OpMs (%)	25.4%	28.0%	28.5%	25.7%	31.4%	30.3%	27.1%	30.3%	29.6%	35.1%	36.1%	32.7%
Pretax profit (NT$mn)	$3,124	$3,324	$3,291	$3,130	$4,457	$3,969	$13,315	$16,084	$14,893	$26,367	$28,899	$23,323
Pretax margins (%)	28.0%	29.5%	29.3%	25.7%	32.2%	30.6%	27.8%	31.2%	30.1%	35.7%	37.3%	33.2%
Tax expense (NT$mn)	-$585	-$604	-$642	-$611	-$869	-$768	-$2,546	-$3,067	-$2,921	-$5,042	-$5,482	-$4,552
Tax rate (%)	18.7%	18.2%	19.5%	19.5%	19.5%	19.4%	19.1%	19.1%	19.6%	19.1%	19.0%	19.5%
Net profit (NT$mn)	$2,540	$2,720	$2,649	$2,520	$3,587	$3,201	$10,769	$13,017	$11,973	$21,325	$23,417	$18,770
Net margins (%)	22.8%	24.1%	23.6%	20.7%	25.9%	24.7%	22.5%	25.3%	24.2%	28.9%	30.3%	26.7%
EPS (NT$)	$1.98	$2.12	$2.15	$1.96	$2.79	$2.58	$8.38	$10.14	$9.76	$16.59	$18.24	$15.20

Source: BofA Global Research estimates, Bloomberg

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Exhibit 2: King Yuan detailed analysis by major AI customers
We expect Nvidia to still be the main growth driver for King Yuan while Broadcom is ramping from a low base; rest of the business should see mild unit improvement and price hike on high utilization

KYEC sales analysis	**1Q26**	**2Q26**	**3Q26**	**4Q26**	**2024**	**2025**	**2026**	**2027**
Nvidia revenue contribution	$4,400	$4,816	$7,136	$8,479	$4,745	$13,113	$24,831	$42,179
Broadcom revenue contribution	$760	$1,234	$1,348	$1,640	$1,406	$1,810	$4,982	$8,770
KYEC sales ex-Nvidia & Broadcom	$5,032	$5,092	$3,679	$4,250	$20,705	$20,010	$18,053	$22,939
KYEC total revenue (NT$mn)	$10,192	$11,142	$12,163	$14,369	$26,856	$34,934	$47,865	$73,889
KYEC sales QoQ/YoY	**1Q26**	**2Q26**	**3Q26**	**4Q26**	**2024**	**2025**	**2026**	**2027**
Nvidia	7%	9%	48%	19%		176%	89%	70%
Broadcom	28%	62%	9%	22%		29%	175%	76%
KYEC sales ex-Nvidia & Broadcom	-4%	1%	-28%	16%		-3%	-10%	27%
KYEC total revenue YoY	2%	9%	9%	18%		30%	37%	54%
Nvidia assumptions	**1Q26**	**2Q26**	**3Q26**	**4Q26**	**2024**	**2025**	**2026**	**2027**
Hopper GPU revenue contribution	$147	$308	$0	$0	$2,018	$381	$455	$0
Blackwell GPU revenue contribution	$3,287	$3,350	$2,798	$1,741	$800	$8,726	$11,176	$2,084
Rubin GPU revenue contribution	$0	$171	$3,067	$5,234	$0	$0	$8,472	$31,302
Nvidia data center GPU revenue contribution	$3,434	$3,829	$5,865	$6,975	$2,818	$9,106	$20,103	$33,385
Nvidia data center CPU revenue contribution	$116	$171	$520	$603	$245	$239	$1,410	$2,869
RTX gaming GPU revenue contribution	$850	$816	$751	$901	$1,746	$3,768	$3,318	$5,925
Unit/testing time analysis	**1Q26**	**2Q26**	**3Q26**	**4Q26**	**2024**	**2025**	**2026**	**2027**
Hopper GPU testing units ('000 units)	300	600	0	0	4,550	850	900	0
Blackwell GPU testing units ('000 units)	1,865	1,810	1,350	800	498	5,861	5,825	900
Rubin GPU testing units ('000 units)	0	50	800	1,300	0	0	2,150	6,280
Nvidia QoQ/YoY	**1Q26**	**2Q26**	**3Q26**	**4Q26**	**2024**	**2025**	**2026**	**2027**
Hopper GPU revenue contribution	NM	110%	-100%	NM		-81%	20%	-100%
Blackwell GPU revenue contribution	6%	2%	-16%	-38%		991%	28%	-81%
Rubin GPU revenue contribution	NM	NM	1692%	71%				269%
Nvidia data center GPU revenue contribution QoQ/YoY	11%	12%	53%	19%		223%	121%	66%
Nvidia data center CPU revenue contribution QoQ/YoY	77%	47%	204%	16%		-2%	490%	104%
RTX gaming GPU revenue contribution QoQ/YoY	-10%	-4%	-8%	20%		116%	-12%	79%
Broadcom assumptions	**1Q26**	**2Q26**	**3Q26**	**4Q26**	**2024**	**2025**	**2026**	**2027**
TPU revenue contribution	$197	$616	$779	$1,061	$383	$491	$2,653	$6,345
Broadcom ex-TPU contribution	$563	$617	$569	$579	$1,023	$1,319	$2,328	$2,426

Source: BofA Global Research estimates, the company

,BofA GLOBAL RESEARCH

Price objective basis & risk

King Yuan Electronics Corp. (KYUFF)

We value KYEC at NT$330 per share, based on 20x 2027E P/E, which is more than one standard deviation above its historical average since 2010. In our view, P/E valuation is appropriate for KYEC given its strong growth in earnings over the past few years, future growth potentials with upside in total addressable market (TAM) and market share, and enhanced cash position. We think 20x P/E, which is above the average P/E level of global OSAT peers, is undemanding, in view of its better ROE profile and 2-3% dividend yield.

Downside risks are
1) faster-than-expected pick-up by testing peers in high-end AI area,
2) greater-than-expected slowdown in global smartphone/consumer electronics demand,
3) potential asset disposal caused by strategy shift amid the ongoing decoupling in the semis supply chain.

Analyst Certification

I, Haas Liu, 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.

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APR - Semiconductor Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Alchip	ALCPF	3661 TT	Haas Liu
	All Ring	XNQNF	6187 TT	Haas Liu
	AMEC	XRTOF	688012 CH	Dai Shen
	ASE Technology Holding	XSRIF	3711 TT	Haas Liu
	ASE Technology Holding -ADR	ASX	ASX US	Haas Liu
	ASMPT	ASMVF	522 HK	Simon Woo, CFA
	Aspeed	XLKMF	5274 TT	Mike Yang

APR - Semiconductor Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Chroma ATE	CRMJF	2360 TT	Haas Liu
	eMemory	XYLWF	3529 TT	Mike Yang
	GigaDevice	XGXIF	603986 CH	Daley Li, CFA
	Global Unichip Corp.	GBUHF	3443 TT	Haas Liu
	Grand Process Technology Corp	XZOWF	3131 TT	Haas Liu
	Hanmi Semiconductor	HNSIF	042700 KS	Simon Woo, CFA
	Hon Precision	XXPIF	7769 TT	Haas Liu
	Horizon Robotics	HRZRF	9660 HK	Daley Li, CFA
	Iluvatar CoreX	XSIBF	9903 HK	Daley Li, CFA
	Ingenic	XISCF	300223 CH	Dai Shen
	InnoScience Technology	XSCHF	2577 HK	Daley Li, CFA
	JCET Group Co Ltd	XJIEF	600584 CH	Dai Shen
	King Yuan Electronics Corp.	KYUFF	2449 TT	Haas Liu
	Kinik	KIKCF	1560 TT	Haas Liu
	Macronix International	MXICF	2337 TT	Dai Shen
	MediaTek	MDTKF	2454 TT	Haas Liu
	Montage Technology	XRDFF	688008 CH	Daley Li, CFA
	MPI Corporation	XMJCF	6223 TT	Mike Yang
	Nanya Technology	NNYAF	2408 TT	Simon Woo, CFA
	NCE Power	XVFFF	605111 CH	Daley Li, CFA
	OmniVision	XXHQF	603501 CH	Dai Shen
	Phison Electronics	PISNF	8299 TT	Simon Woo, CFA
	Powerchip Semiconductor Manufacturing Co	XCHPF	6770 TT	Haas Liu
	Powertech Technology	PWOGF	6239 TT	Simon Woo, CFA
	Rockchip	XRPXF	603893 CH	Daley Li, CFA
	Samsung C&T	XCDTF	028260 KS	Simon Woo, CFA
	Samsung Elec -G	SSNHZ	SMSN LI	Simon Woo, CFA
	Samsung Electronics	SSNLF	005930 KS	Simon Woo, CFA
	Samsung Electronics Preferred	SSNNF	005935 KS	Simon Woo, CFA
	Silergy Corp.	SLEGF	6415 TT	Mike Yang
	Silicon Motion	SIMO	SIMO US	Simon Woo, CFA
	SK Hynix	HXSCF	000660 KS	Simon Woo, CFA
	SK Hynix ADR	SKHY	SKHY US	Simon Woo, CFA
	SK Square	SKSQF	402340 KS	Simon Woo, CFA
	Taiwan Semiconductor Manufacturing Co.	TSM	TSM US	Haas Liu
	Taiwan Semiconductor Manufacturing Co.	TSMWF	2330 TT	Haas Liu
	Vanguard International Semiconductor Co	VGILF	5347 TT	Haas Liu
	Winbond Electronics	WBEKF	2344 TT	Dai Shen
	WinWay Technology	XWCLF	6515 TT	Mike Yang
	WT Microelectronics	XZOPF	3036 TT	Mike Yang
NEUTRAL				
	ASMedia Technology Inc.	XZSFF	5269 TT	Mike Yang
	Black Sesame Intl Holding	BSIHF	2533 HK	Daley Li, CFA
	Hangzhou Silan Microelectronics	XDFRF	600460 CH	Daley Li, CFA
	Lion Electronics	XDHFF	605358 CH	Dai Shen
	MetaX	XMEZF	688802 CH	Daley Li, CFA
	Novatek	NVKMF	3034 TT	Mike Yang
	Realtek	RLTKF	2379 TT	Mike Yang
	Shenzhen Goodix	XQPLF	603160 CH	Daley Li, CFA
UNDERPERFORM				
	Crystal Clear	XPPTF	300655 CH	Dai Shen
	Faraday	FDYTF	3035 TT	Haas Liu
	GlobalWafers	XWLFF	6488 TT	Mike Yang
	Hua Hong Semi	HHUSF	1347 HK	Dai Shen
	LX Semicon	XLXSF	108320 KS	Simon Woo, CFA
	M31 Technology	XMTZF	6643 TT	Mike Yang
	Maxscend	XMXSF	300782 CH	Daley Li, CFA
	Parade	PRDWF	4966 TT	Mike Yang
	Soulbrain	XSBOF	357780 KS	Simon Woo, CFA
	United Microelectronics Corp.	XUMIF	2303 TT	Haas Liu
	United Microelectronics Corp.	UMC	UMC US	Haas Liu
	VeriSilicon	XMLZF	688521 CH	Daley Li, CFA
	Win Semiconductors	WSMIF	3105 TT	Haas Liu
	Wonik IPS	XRHQF	240810 KS	Simon Woo, CFA

APR - Semiconductor Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst

*iQ*method℠ Measures Definitions

Business Performance	Numerator	Denominator
Return On Capital Employed	NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization	Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill Amortization
Return On Equity	Net Income	Shareholders' Equity
Operating Margin	Operating Profit	Sales
Earnings Growth	Expected 5 Year CAGR From Latest Actual	N/A
Free Cash Flow	Cash Flow From Operations – Total Capex	N/A
Quality of Earnings	**Numerator**	**Denominator**
Cash Realization Ratio	Cash Flow From Operations	Net Income
Asset Replacement Ratio	Capex	Depreciation
Tax Rate	Tax Charge	Pre-Tax Income
Net Debt-To-Equity Ratio	Net Debt = Total Debt – Cash & Equivalents	Total Equity
Interest Cover	EBIT	Interest Expense
Valuation Toolkit	**Numerator**	**Denominator**
Price / Earnings Ratio	Current Share Price	Diluted Earnings Per Share (Basis As Specified)
Price / Book Value	Current Share Price	Shareholders' Equity / Current Basic Shares
Dividend Yield	Annualised Declared Cash Dividend	Current Share Price
Free Cash Flow Yield	Cash Flow From Operations – Total Capex	Market Cap = Current Share Price × Current Basic Shares
Enterprise Value / Sales	EV = Current Share Price × Current Shares + Minority Equity + Net Debt + Other LT Liabilities	Sales
EV / EBITDA	Enterprise Value	Basic EBIT + Depreciation + Amortization

iQmethod℠ is the set of BofA Global Research standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and validations. The key features of iQmethod are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

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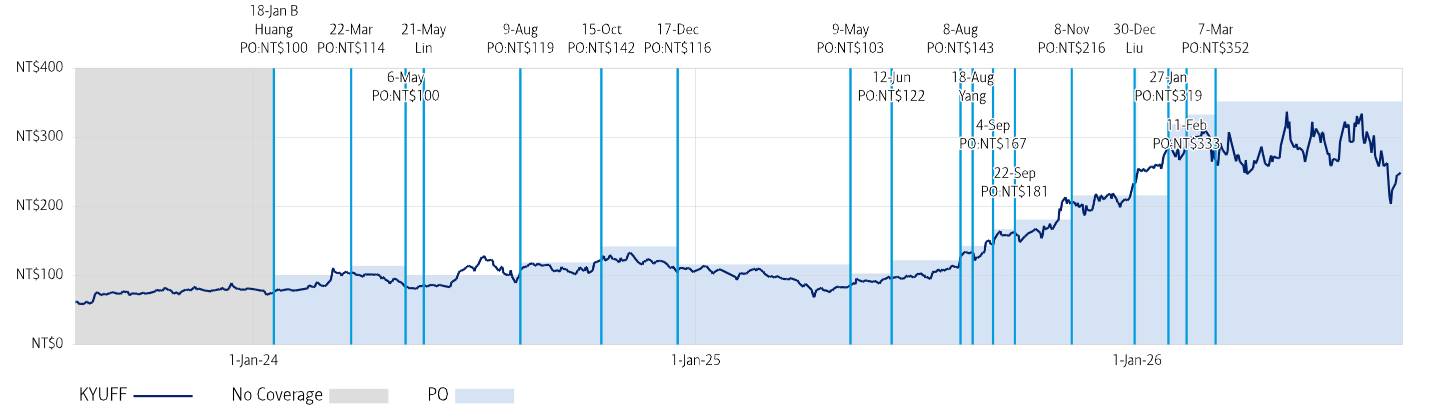
King Yuan Electronic (KYUFF) Price Chart



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

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Equity Investment Rating Distribution: Technology Group (as of 30 Jun 2026)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	243	60.60%	Buy	123	50.62%
Hold	87	21.70%	Hold	45	51.72%
Sell	71	17.71%	Sell	21	29.58%

Equity Investment Rating Distribution: Global Group (as of 30 Jun 2026)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	1987	56.11%	Buy	1190	59.89%
Hold	797	22.51%	Hold	496	62.23%
Sell	757	21.38%	Sell	391	51.65%

[R1] Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster[R2]
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

[R2]Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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