Taiwan Union Technology Corporation

Clearer picture of capacity expansion toward 2029 expedites share gain; Buy

Reiterate Rating: BUY | PO: 2,600 TWD | Price: 1,020 TWD

2Q26 GM beat even after inventory impacts

2Q26 net income of NT$2.3bn (EPS of NT$8.1) was 4% behind consensus given higher-than-expected tax rate. Yet the OP in 2Q26 was 13%/7% ahead vs BofAe/consensus thanks to 180-220bps beat in GM. We further note that the firm's 2Q26 GM would reach 31+%, if excluding the impact from inventory write-down of NT$270mn. Looking into 3Q26, we see positives from 1) an early ramp of the new capacity in Thailand after mid-July; and 2) further price hike though mainly driven by the cost pass-through.

Multiple demand drivers ahead from AI/networking

By customers/applications, we see solid demand outlook (toward end-2026) from the US customers' CPU/GPU used in AI servers. Elsewhere, we see positives on networking side including 1) a guidance raise on 2026 revenue to $20.5bn (from $19bn) by Celestica earlier this week; and 2) a ramp of 800G/1.6T optical module based on M8-grade CCL from 4Q26-1Q27.

Further capacity expansion in 2028-29 announced

On capacity plan, TUC (Taiwan Union) now expect to add capacity further by 1.5mn/450k sheets per month in 2028/29, with total capacity reaching 5.3/5.75mn in respective years (vs 2.6/3.8mn in 2026/27). For the 1.5mn addition in 2028, 1.2mn/300k will come from Zhongshan/Thailand. As for the 450k addition in 2029, it will be located in Thailand.

Reiterate Buy on faster share gain vs high-end CCL peers

Reiterate Buy given TUC's more aggressive capacity expansion to expedite its share gain amidst S/D (supply/demand) tightness in high-end CCL market. We raise 2026-28E EPS by 8-15% after factoring in 2Q26 results and onward outlook. Our PO stays at NT$2,600 same based on 30.5x P/E, incorporating higher opex and tax rate for the 2H27-1H28E valuation period.

Estimates (Dec) (NT$)	2024A	2025A	2026E	2027E	2028E
Net Income (Adjusted - mn)	2,604	3,409	10,910	20,012	32,034
EPS	9.56	12.13	37.78	69.30	110.93
EPS Change (YoY)	213.6%	26.9%	211.4%	83.4%	60.1%
Consensus EPS (Visible Alpha)			35.14	72.10	126.43
Dividend / Share	6.50	7.51	25.00	46.00	73.00
Free Cash Flow / Share	(1.91)	(4.82)	(19.74)	29.62	69.46
Valuation (Dec)					
P/E	106.68x	84.06x	27.00x	14.72x	9.19x
Dividend Yield	0.638%	0.736%	2.45%	4.51%	7.16%
EV / EBITDA*	79.33x	62.50x	19.93x	10.43x	6.60x
Free Cash Flow Yield*	-0.176%	-0.459%	-1.94%	2.90%	6.81%

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

29 July 2026

Equity

Key Changes

(NT$)	Previous	Current
2026E EPS	33.64	37.78
2027E EPS	60.35	69.30
2028E EPS	103.00	110.93
2026E EBITDA (m)	12,827.0	15,064.9
2027E EBITDA (m)	23,950.4	28,777.9
2028E EBITDA (m)	38,819.9	45,452.5

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Stock Data

Price	1,020 TWD
Price Objective	2,600 TWD
Date Established	6-Jul-2026
Investment Opinion	C-1-7
52-Week Range	252.00 TWD-1,920 TWD
Mrkt Val / Shares Out (mn)	9,082 USD / 288.8
Market Value (mn)	294,550 TWD
Average Daily Value (mn)	185.78 USD
Free Float	77.9%
BofA Ticker / Exchange	TWUNF / TWO
Bloomberg / Reuters	6274 TT / 6274.TWO
ROE (2026E)	50.0%
Net Dbt to Eqty (Dec-2025A)	-31.0%

CPU/GPU - central/graphic processing unit

OP - operating profits

GM – gross margin

CCL - copper clad laminate

AI - artificial intelligence

iQprofile[SM] Taiwan Union Technology Corporation

Key Income Statement Data (Dec)	2024A	2025A	2026E	2027E	2028E
(NT$ Millions)					
Sales	23,070	30,340	60,362	104,405	163,619
Gross Profit	5,342	6,898	18,216	33,757	53,219
Sell General & Admin Expense	(1,651)	(2,040)	(3,191)	(5,220)	(8,017)
Operating Profit	3,332	4,344	14,427	27,553	43,816
Net Interest & Other Income	46	175	125	10	(30)
Associates	NA	NA	NA	NA	NA
Pretax Income	3,378	4,519	14,552	27,562	43,785
Tax (expense) / Benefit	(773)	(1,109)	(3,642)	(7,550)	(11,752)
Net Income (Adjusted)	2,604	3,409	10,910	20,012	32,034
Average Fully Diluted Shares Outstanding	272	281	289	289	289
Key Cash Flow Statement Data					
Net Income	2,604	3,409	10,910	20,012	32,034
Depreciation & Amortization	452	459	638	1,225	1,637
Change in Working Capital	(2,164)	(3,758)	(5,216)	(6,737)	(7,069)
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	(239)	485	627	0	0
Cash Flow from Operations	653	596	6,959	14,500	26,602
Capital Expenditure	(1,172)	(1,949)	(12,659)	(5,946)	(6,545)
(Acquisition) / Disposal of Investments	(50)	(4,684)	1,681	0	0
Other Cash Inflow / (Outflow)	116	131	26	26	26
Cash Flow from Investing	(1,106)	(6,502)	(10,952)	(5,920)	(6,519)
Shares Issue / (Repurchase)	0	0	0	0	0
Cost of Dividends Paid	0	0	(2,109)	(7,092)	(13,008)
Cash Flow from Financing	1,376	4,888	8,940	(7,092)	(13,008)
Free Cash Flow	(519)	(1,353)	(5,700)	8,554	20,057
Net Debt	(4,552)	(5,776)	1,682	193	(6,881)
Change in Net Debt	(1,082)	3,456	5,764	(1,488)	(7,075)
Key Balance Sheet Data					
Property, Plant & Equipment	4,339	5,565	14,901	18,959	27,220
Other Non-Current Assets	1,275	1,825	2,595	3,150	3,825
Trade Receivables	9,460	13,823	23,563	36,367	46,237
Cash & Equivalents	7,037	10,602	14,207	15,695	22,770
Other Current Assets	3,766	7,926	8,571	15,531	22,116
Total Assets	25,878	39,741	63,836	89,702	122,169
Long-Term Debt	1,524	2,686	13,419	13,419	13,419
Other Non-Current Liabilities	2,145	3,821	3,951	3,951	3,951
Short-Term Debt	962	2,141	2,470	2,470	2,470
Other Current Liabilities	6,910	12,480	18,926	30,587	40,875
Total Liabilities	11,541	21,127	38,766	50,427	60,715
Total Equity	14,337	18,614	25,071	39,275	61,454
Total Equity & Liabilities	25,878	39,741	63,836	89,702	122,169
iQ*method[SM] - Bus Performance					
Return On Capital Employed	16.0%	14.6%	30.2%	38.6%	45.8%
Return On Equity	20.1%	20.7%	50.0%	62.2%	63.6%
Operating Margin	14.4%	14.3%	23.9%	26.4%	26.8%
EBITDA Margin	16.4%	15.8%	25.0%	27.6%	27.8%
iQ*method[SM] - Quality of Earnings					
Cash Realization Ratio	0.3x	0.2x	0.6x	0.7x	0.8x
Asset Replacement Ratio	2.6x	4.4x	20.1x	4.9x	4.0x
Tax Rate (Reported)	22.9%	24.6%	25.0%	27.4%	26.8%
Net Debt-to-Equity Ratio	-31.7%	-31.0%	6.7%	0.5%	-11.2%
Interest Cover	NM	49.0x	NM	NM	NM

Key Metrics

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

Company Sector

IT Hardware

Company Description

Taiwan Union Technology Corporation (TUC) is a leading CCL supplier globally, with headquarters in Hsinchu. The company was founded in 1974 and has a business focus of providing high-speed/high-frequency materials for data transmission. In terms of capacity, TUC has production sites across China, Taiwan, and Thailand. By application, TUC is more focused on providing CCL for networking switch.

Investment Rationale

We have a Buy rating on TUC, as we expect it to be a key beneficiary of the upgrades in networking switch toward 800G/1.6T transmission rate. In addition to networking switch, we see potential upside from AI server and LEO businesses, and we believe the company is well positioned to reap relevant business opportunities, thanks to its technology leadership and output scale.

Stock Data

Price to Book Value	11.7x

Exhibit 1: 2Q26 result review

2Q26 operating income was 13%/7% ahead of BofAe/consensus due mainly to the 180-220bps beat in gross margin

(NT$mn)	2Q25A	1Q26A	2Q26A	QoQ %	YoY %	BofAe	Diff (%)	Consensus	Diff (%)
Revenue	6,780	10,054	14,301	42.2%	110.9%	14,613	-2.1%	14,345	-0.3%
Gross profit	1,435	2,529	4,250	68.1%	196.1%	4,019	5.7%	3,998	6.3%
Gross margin (%)	21.2%	25.1%	29.7%	4.6 ppt	8.5 ppt	27.5%	2.2 ppt	27.9%	1.8 ppt
Operating Income	853	1,828	3,358	83.7%	NM	2,966	13.2%	3,154	6.5%
Operating margin (%)	12.6%	18.2%	23.5%	5.3 ppt	10.9 ppt	20.3%	3.2 ppt	22.0%	1.5 ppt
Pre-tax Income	840	1,874	3,427	82.9%	NM	2,989	14.6%	3,163	8.3%
Pre-tax margin (%)	12.4%	18.6%	24.0%	5.3 ppt	11.6 ppt	20.5%	3.5 ppt	22.0%	1.9 ppt
Net Income	652	1,260	2,342	85.8%	NM	2,332	0.4%	2,432	-3.7%
Net margin (%)	9.6%	12.5%	16.4%	3.8 ppt	6.8 ppt	16.0%	0.4 ppt	17.0%	-0.6 ppt
EPS (NT$)	2.36	4.36	8.11	85.8%	NM	8.30	-2.3%	8.42	-3.7%

Source: BofA Global Research estimates, company data, Bloomberg

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Exhibit 2: BofAe vs consensus

We raise 2026-28E EPS by 8-15% after baking in the assumption of stronger revenue growth, operating leverage and gross margin

(NT$mn)	BofA 26 (E)			BofA 27 (E)			BofA 28 (E)		
	New	Old	Diff (%)	New	Old	Diff (%)	New	Old	Diff (%)
Total sales	60,362	59,376	1.7	104,405	99,458	5.0	163,619	153,924	6.3
Gross profit	18,216	16,358	11.4	33,757	29,175	15.7	53,219	46,211	15.2
Gross margin	*30.2%*	*27.5%*	2.6 ppt	*32.3%*	*29.3%*	3.0 ppt	*32.5%*	*30.0%*	2.5 ppt
Operating profit	14,427	12,186	18.4	27,553	22,744	21.1	43,816	37,218	17.7
Operating margin	*23.9%*	*20.5%*	3.4 ppt	*26.4%*	*22.9%*	3.5 ppt	*26.8%*	*24.2%*	2.6 ppt
Pretax income	14,552	12,280	18.5	27,562	22,785	21.0	43,785	37,219	17.6
Pretax margin	*24.1%*	*20.7%*	3.4 ppt	*26.4%*	*22.9%*	3.5 ppt	*26.8%*	*24.2%*	2.6 ppt
Net income	10,910	9,451	15.4	20,012	16,955	18.0	32,034	28,939	10.7
Net margin	*18.1%*	*15.9%*	2.2 ppt	*19.2%*	*17.0%*	2.1 ppt	*19.6%*	*18.8%*	0.8 ppt
EPS (NT$)	37.78	33.64	12.3	69.30	60.35	14.8	110.93	103.00	7.7

Source: BofA Global Research estimates

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Exhibit 3: BofAe vs consensus

We are 12-13% ahead vs consensus for 2026-27E operating profit, given the assumptions of stronger revenue growth and gross margin

(NT$mn)	2026E			2027E			2028E		
	BofAe	Consensus	Diff (%)	BofAe	Consensus	Diff (%)	BofAe	Consensus	Diff (%)
Total sales	60,362	58,344	3.5	104,405	94,347	10.7	163,619	156,700	4.4
Gross profit	18,216	16,352	11.4	33,757	28,780	17.3	53,219	49,965	6.5
Gross margin	*30.2%*	*28.0%*	2.2 ppt	*32.3%*	*30.5%*	1.8 ppt	*32.5%*	*31.9%*	0.6 ppt
Operating profit	14,427	12,900	11.8	27,553	24,365	13.1	43,816	44,286	-1.1
Operating margin	*23.9%*	*22.1%*	1.8 ppt	*26.4%*	*25.8%*	0.6 ppt	*26.8%*	*28.3%*	-1.5 ppt
Pretax income	14,552	12,939	12.5	27,562	24,324	13.3	43,785	45,409	-3.6
Pretax margin	*24.1%*	*22.2%*	1.9 ppt	*26.4%*	*25.8%*	0.6 ppt	*26.8%*	*29.0%*	-2.2 ppt
Net income	10,910	9,778	11.6	20,012	18,443	8.5	32,034	34,194	-6.3
Net margin	*18.1%*	*16.8%*	1.3 ppt	*19.2%*	*19.5%*	-0.4 ppt	*19.6%*	*21.8%*	-2.2 ppt
EPS (NT$)	37.78	33.86	11.6	69.30	63.87	8.5	110.93	118.41	-6.3

Source: BofA Global Research estimates, Bloomberg

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Exhibit 4: Income statement

We expect the firm's gross margin to improve to 32+% level toward 2027-28 along with 60+% revenue CAGR

NT$mn; %	1Q26	2Q26	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E	2025	2026E	2027E	2028E
Revenue	10,054	14,301	16,767	19,240	21,627	23,381	27,580	31,817	30,340	60,362	104,405	163,619
Cost of Revenue	(7,525)	(10,051)	(11,485)	(13,083)	(14,815)	(15,899)	(18,616)	(21,318)	(23,442)	(42,145)	(70,647)	(110,401)
Gross profit	2,529	4,250	5,282	6,157	6,813	7,482	8,963	10,500	6,898	18,216	33,757	53,219
Operating exp	(701)	(892)	(1,023)	(1,174)	(1,298)	(1,403)	(1,627)	(1,877)	(2,554)	(3,789)	(6,205)	(9,403)
Operating income	1,828	3,358	4,259	4,983	5,515	6,079	7,336	8,622	4,344	14,427	27,553	43,816
Non-opt net	46	69	5	5	(20)	10	10	10	175	125	10	(30)
Income before tax	1,874	3,427	4,264	4,988	5,495	6,089	7,346	8,632	4,519	14,552	27,562	43,785
Income Tax	(614)	(1,085)	(895)	(1,047)	(1,539)	(1,218)	(2,204)	(2,590)	(1,109)	(3,642)	(7,550)	(11,752)
Net income	1,260	2,342	3,368	3,941	3,956	4,871	5,142	6,043	3,409	10,910	20,012	32,034
EPS (NT$)	4.4	8.1	11.7	13.6	13.7	16.9	17.8	20.9	12.2	37.8	69.3	110.9
Margin; tax rate												
Gross margin	25%	30%	32%	32%	32%	32%	33%	33%	23%	30%	32%	33%
Operating expenses	7%	6%	6%	6%	6%	6%	6%	6%	8%	6%	6%	6%
Operating margin	18%	23%	25%	26%	26%	26%	27%	27%	14%	24%	26%	27%
Pretax margin	19%	24%	25%	26%	25%	26%	27%	27%	15%	24%	26%	27%
Net margin	13%	16%	20%	20%	18%	21%	19%	19%	11%	18%	19%	20%
Tax rate	33%	32%	21%	21%	28%	20%	30%	30%	25%	25%	27%	27%
Sequential growth %												
Revenue	10%	42%	17%	15%	12%	8%	18%	15%	32%	99%	73%	57%
Gross profit	26%	68%	24%	17%	11%	10%	20%	17%	29%	164%	85%	58%
Operating exp	-3%	27%	15%	15%	11%	8%	16%	15%	27%	48%	64%	52%
Operating income	42%	84%	27%	17%	11%	10%	21%	18%	30%	232%	91%	59%
Net income	16%	86%	44%	17%	0%	23%	6%	18%	31%	220%	83%	60%

Source: BofA Global Research estimates, company data

BofA GLOBAL RESEARCH

Price objective basis & risk

Taiwan Union Technology Corporation (TWUNF)

Our PO NT$2,600 is based on 30.5x 2H27-1H28E P/E, which is at the high-end of the historical trading range of 8-31x during 2016-2026. In our view, the valuation multiple is justified, given 1) gross/operating margin expansion to 32% and 26% in 2026-28E, 2) expanding ROE toward around 59% in 2026-28E, and 3) robust free-cash flow generation in 2027-28E.

Downside risks are
1) Fluctuation in raw material prices, which could lead to a more volatile gross margin for TUC in the near term
2) More intensified competition in CCL, which could pressure TUC's overall margin profile
3) Adoption of new type of upstream material (e.g., quartz), which could bring business uncertainty for the names in CCL industry, including TUC
4) Worse-than-expected execution by the company, which could cause market-share loss and/or decreased business traction with customers

Analyst Certification

I, Mike Yang, 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 - Technology Hardware Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	AAC Technologies	AACAF	2018 HK	Katherine Zhu
	Asia Vital Components	AVMPF	3017 TT	Doris Kao
	BizLink	BIZLF	3665 TT	Doris Kao

APR - Technology Hardware Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Chenbro	CEOMF	8210 TT	Doris Kao
	Cowell	CWLLF	1415 HK	Katherine Zhu
	Crystal-Optech	XMKAF	002273 CH	Katherine Zhu
	Delta Electronics Inc.	DLTEF	2308 TT	Robert Cheng
	Duksan Neolux	XDSXF	213420 KS	Simon Woo, CFA
	Dynamic Holding	XLHCF	3715 TT	Mike Yang
	E Ink Holdings	PVWIF	8069 TT	Doris Kao
	Elite Material	ETMCF	2383 TT	Mike Yang
	Foxconn Industrial Internet	XDAZF	601138 CH	Robert Cheng
	Goertek	XGKCF	002241 CH	Katherine Zhu
	Gold Circuit	GOCCF	2368 TT	Doris Kao
	Hana Microelectronics	XHNNF	HANA TB	Suppapong Iemkongaek, CFA, CMT
	Hon Hai Precision Industry	HNHAF	2317 TT	Robert Cheng
	Huaqin	XHUAF	603296 CH	Katherine Zhu
	Huaqin	XPEZF	3296 HK	Katherine Zhu
	ISU Petasys	IPTYF	007660 KS	Matt Shin
	Jentech	XVFSF	3653 TT	Doris Kao
	King Slide	KGSLF	2059 TT	Doris Kao
	Kinsus	KNSUF	3189 TT	Mike Yang
	Largan Precision	LGANF	3008 TT	Robert Cheng
	Lens Tech	XLTVF	6613 HK	Katherine Zhu
	LG CNS	XLGLF	064400 KS	Simon Woo, CFA
	LG Electronics	LGEAF	066570 KS	Simon Woo, CFA
	LG Innotek	XLGQF	011070 KS	Simon Woo, CFA
	Lotes	ZYZTF	3533 TT	Doris Kao
	Luxshare	XNJQF	002475 CH	Robert Cheng
	Netweb Technologies	XNTZF	NETWEB IN	Jatin Kalra, CFA
	NYPCB	NANYF	8046 TT	Mike Yang
	Quanta Computer	QUCPF	2382 TT	Robert Cheng
	Samsung Electro-Mechanics	SMSGF	009150 KS	Simon Woo, CFA
	Samsung SDI	SSDIF	006400 KS	Simon Woo, CFA
	Samsung SDS	XWPBF	018260 KS	Simon Woo, CFA
	Shennan Circuits	XAMKF	002916 CH	Katherine Zhu
	Taiwan Union Technology Corporation	TWUNF	6274 TT	Mike Yang
	Unimicron	UMCRF	3037 TT	Mike Yang
	Universal Display	OLED	OLED US	Simon Woo, CFA
	Victory Giant	XENEF	300476 CH	Katherine Zhu
	Wistron	WICOF	3231 TT	Doris Kao
	Wiwynn	XWIQF	6669 TT	Robert Cheng
	Xiaomi Corporation	XIACF	1810 HK	Robert Cheng
	Yageo	YGEQF	2327 TT	Robert Cheng
	Zhen Ding Tech	XFAGF	4958 TT	Doris Kao
	Zhongji Innolight	XZICF	300308 CH	Katherine Zhu
	ZTE Corporation	SHZZF	000063 CH	Katherine Zhu
	ZTE Corporation	ZTCOF	763 HK	Katherine Zhu
NEUTRAL				
	Advantech	ADTEF	2395 TT	Robert Cheng
	Asustek	AKCPF	2357 TT	Robert Cheng
	Auras Technology	AUTCF	3324 TT	Doris Kao
	BYD Electronic	BYDIF	285 HK	Katherine Zhu
	DS Precision	XBASF	002384 CH	Katherine Zhu
	Lenovo Group	LNVGF	992 HK	Robert Cheng
	Lenovo Group	LNVGY	LNVGY US	Robert Cheng
	Lite-On Tech	LOTZF	2301 TT	Doris Kao
	Sunny Optical	SNPTF	2382 HK	Katherine Zhu
UNDERPERFORM				
	Acer	ASIYF	2353 TT	Robert Cheng
	Catcher Tech	CHERF	2474 TT	Robert Cheng
	Compal Electron	XLCPF	2324 TT	Doris Kao
	Delta Electronics (Thailand)	XLETF	DELTA TB	Suppapong Iemkongaek, CFA, CMT
	Everwin Precision	XSHZF	300115 CH	Katherine Zhu
	Genius Electronic Optical	GNSEF	3406 TT	Robert Cheng
	Lens Tech	XLTGF	300433 CH	Katherine Zhu
	LG Display	LPHLF	034220 KS	Simon Woo, CFA

APR - Technology Hardware Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	LG Display-ADR	LPL	LPL US	Simon Woo, CFA
	Lianchuang Electronic	XWOFF	002036 CH	Katherine Zhu
	Pegatron	PGTRF	4938 TT	Robert Cheng
	Sanan Opto	XEQYF	600703 CH	Katherine Zhu
	Seoul Semiconductor	SLSOF	046890 KS	Simon Woo, CFA
	Shengyi	DGUNF	600183 CH	Mike Yang
	Sunway Communications	XWSVF	300136 CH	Katherine Zhu
	Transsion	XCINF	688036 CH	Robert Cheng

*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

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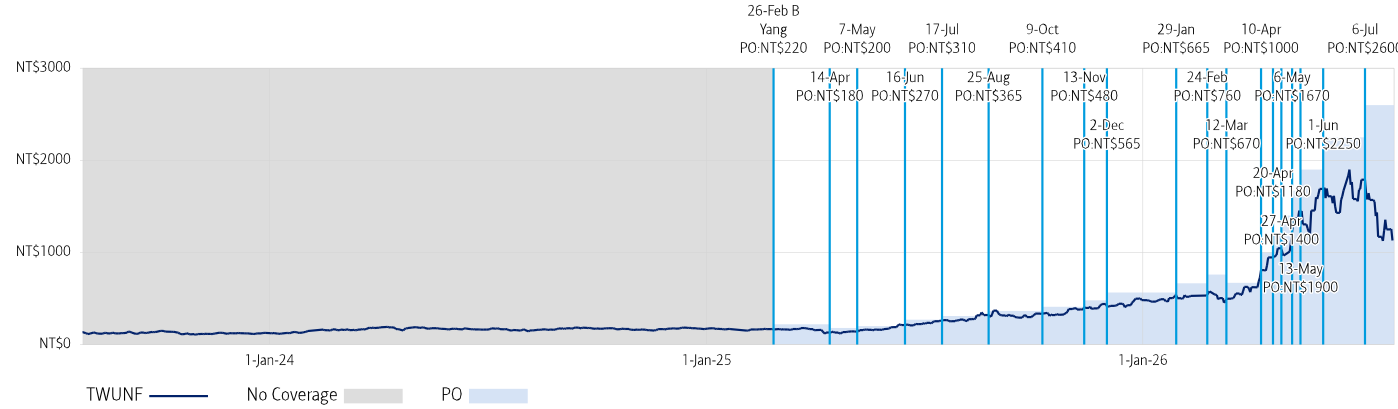
Important Disclosures

Taiwan Union (TWUNF) 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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