# ASE Technology Holding

# YTD investment tracking ahead of its ’26 guide backed by solid AI CPU/ASIC demand

**Reiterate Rating: BUY | PO: 750.00 TWD | Price: 679.00 TWD**

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Equity

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## YTD equipment buys tracks 66% of its ’26 capex guidance

ASE has filed 82 equipment buys and 64 facility construction announcements through early July. While the filing may only capture the major payment, on the like for like basis, the spending on equipment has reached NT$175bn (Exhibit 1), booking 66% of its ’26 capex guidance of US$8.5bn which is already revised up from the original US$7bn target. Specifically, the equipment mix is skewed toward 2.5D packaging (TSV, metrology, wet cleaning, flux coating, dispensing, molding, grinding, AOI and dicing) and testing (tester & prober). The limited space for further expansion also drove facility and clean room construction contracts to NT$82bn YTD mostly set to complete by 4Q28.

## Further capex upside for ‘26-27 as HPC gains accelerate

We recently lifted our expectation for ASE capex in ‘26/27 to US$8.5bn/US$12.2bn (vs. US$5.5bn in ’25) in our CPU manufacturing report, close to TSMC’s back-end spending, on solid AI demand and foundry outsourcing. With YTD equipment buy tracking stronger, the company might need to further lift its capex to ~US$10bn in ’26 and US$13-15bn in ’27, putting the capex/IC ATM sales elevated at 40% through ’28 (vs 10-yr avg. 20%) to fulfill its customers’ demand. While depreciation could ramp and funding would be required, the high utilization and better packaging/testing pricing should lift its IC ATM sales +34% CAGR from ’25-28 and expand GMs to 28%/33% in ‘26/27 on mix upgrade.

## Improving landscape and EPS upgrades support re-rating

We keep our Buy rating on ASE with NT$750 PO on 20x 2H27-1H28 P/E and maintain EPS for ‘26/27/28 at NT$16/31/41. While the company may need to issue debt or equity in 2H26 to support its aggressive capex plan in 2027-28 for further 2.5D packaging and chip probing capacity expansion, it could secure the customer commitment while ROE from LEAP business at 25-30%+ should justify the cost of capital from the fundraising.

| **Estimates (Dec) (NT$)** | **2024A** | **2025A** | **2026E** | **2027E** | **2028E** |
|---|---|---|---|---|---|
| Net Income (Adjusted - mn) | 36,902 | 43,283 | 78,650 | 143,233 | 189,493 |
| EPS | 7.70 | 9.30 | 17.08 | 31.49 | 41.87 |
| EPS Change (YoY) | 4.0% | 20.8% | 83.6% | 84.3% | 33.0% |
| Consensus EPS (Visible Alpha) | | | 17.12 | 25.92 | 33.64 |
| Dividend / Share | 5.30 | 5.70 | 10.60 | 19.60 | 26.10 |
| Free Cash Flow / Share | 2.61 | (5.16) | (17.93) | (33.83) | (19.42) |
| ADR EPS (US$) | 0.480 | 0.597 | 1.07 | 1.97 | 2.62 |
| ADR Dividend / Share (US$) | 0.330 | 0.366 | 0.663 | 1.23 | 1.63 |
| **Valuation (Dec)** | | | | | |
| P/E | 88.17x | 73.00x | 39.75x | 21.57x | 16.22x |
| Dividend Yield | 0.781% | 0.839% | 1.56% | 2.89% | 3.84% |
| EV / EBITDA* | 33.96x | 28.45x | 17.89x | 10.82x | 8.03x |
| Free Cash Flow Yield* | 0.372% | -0.739% | -2.60% | -4.92% | -2.83% |

* For full definitions of *iQmethod* SM measures, see page 9.

## Stock Data

| | |
|---|---|
| Price (Common / ADR) | 679.00 TWD / 41.87 USD |
| Price Objective | 750.00 TWD / 48.00 USD |
| Date Established | 24-Jun-2026 / 24-Jun-2026 |
| Investment Opinion | B-1-7 / C-1-7 |
| 52-Week Range | 141.50 TWD-729.00 TWD |
| Market Value (mn) | 94,712 USD |
| Market Value (mn) | 3,028,906 TWD |
| Shares Outstanding (mn) | 4,460.8 / 2,230.4 |
| Average Daily Value (mn) | 602.30 USD |
| Free Float | 74.0% |
| BofA Ticker / Exchange | XSRIF / TAI |
| BofA Ticker / Exchange | ASX / NYS |
| Bloomberg / Reuters | 3711 TT / 3711.TW |
| ROE (2026E) | 18.9% |
| Net Dbt to Eqty (Dec-2025A) | 41.5% |

# *iQprofile*℠ ASE Technology Holding

| Key Income Statement Data (Dec) | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| **(NT$ Millions)** | | | | | |
| Sales | 595,410 | 645,388 | 817,427 | 1,058,162 | 1,268,875 |
| Gross Profit | 96,997 | 114,193 | 180,581 | 284,233 | 361,964 |
| Sell General & Admin Expense | (28,935) | (30,586) | (35,198) | (40,261) | (44,347) |
| Operating Profit | 39,232 | 50,756 | 105,404 | 198,241 | 267,247 |
| Net Interest & Other Income | 2,588 | 545 | (8,386) | (18,813) | (28,541) |
| Associates | NA | NA | NA | NA | NA |
| Pretax Income | 41,820 | 51,301 | 97,018 | 179,429 | 238,706 |
| Tax (expense) / Benefit | (7,756) | (9,460) | (18,536) | (34,159) | (45,545) |
| Net Income (Adjusted) | 36,902 | 43,283 | 78,650 | 143,233 | 189,493 |
| Average Fully Diluted Shares Outstanding | 4,333 | 4,462 | 4,485 | 4,485 | 4,485 |
| **Key Cash Flow Statement Data** | | | | | |
| Net Income | 32,620 | 40,658 | 76,281 | 141,221 | 187,784 |
| Depreciation & Amortization | 59,815 | 67,440 | 82,595 | 112,702 | 151,392 |
| Change in Working Capital | (3,706) | (9,449) | (18,597) | (35,616) | (26,978) |
| Deferred Taxation Charge | NA | NA | NA | NA | NA |
| Other Adjustments, Net | 2,058 | 43,600 | 12,956 | 0 | 0 |
| Cash Flow from Operations | 90,788 | 142,249 | 153,235 | 218,307 | 312,198 |
| Capital Expenditure | (79,522) | (164,643) | (232,007) | (367,200) | (397,800) |
| (Acquisition) / Disposal of Investments | 1 | (1,971) | 6,809 | 1,719 | (178) |
| Other Cash Inflow / (Outflow) | (4,387) | 969 | 303 | 0 | 0 |
| Cash Flow from Investing | (83,909) | (165,644) | (224,895) | (365,481) | (397,978) |
| Shares Issue / (Repurchase) | 1,103 | 3,480 | 1,101 | 0 | 0 |
| Cost of Dividends Paid | (22,459) | (23,034) | (25,208) | (47,294) | (87,557) |
| Cash Flow from Financing | (7,271) | 45,269 | 82,427 | 100,683 | 40,133 |
| Free Cash Flow | 11,266 | (22,393) | (78,772) | (148,893) | (85,602) |
| Net Debt | 109,225 | 155,020 | 230,345 | 426,532 | 599,691 |
| Change in Net Debt | 20,146 | 61,690 | 92,259 | 194,468 | 173,337 |
| **Key Balance Sheet Data** | | | | | |
| Property, Plant & Equipment | 312,531 | 421,115 | 607,662 | 916,273 | 1,243,302 |
| Other Non-Current Assets | 152,881 | 154,423 | 176,572 | 196,189 | 219,926 |
| Trade Receivables | 113,420 | 125,042 | 146,820 | 193,083 | 228,140 |
| Cash & Equivalents | 84,883 | 100,223 | 124,483 | 76,273 | 30,804 |
| Other Current Assets | 76,982 | 88,530 | 93,482 | 106,849 | 119,253 |
| Total Assets | 740,698 | 889,333 | 1,149,018 | 1,488,667 | 1,841,425 |
| Long-Term Debt | 140,237 | 214,510 | 311,574 | 461,574 | 591,574 |
| Other Non-Current Liabilities | 23,735 | 57,108 | 80,308 | 80,308 | 80,308 |
| Short-Term Debt | 53,872 | 40,734 | 43,254 | 41,231 | 38,921 |
| Other Current Liabilities | 177,068 | 203,615 | 200,235 | 222,809 | 237,372 |
| Total Liabilities | 394,911 | 515,966 | 635,370 | 805,922 | 948,175 |
| Total Equity | 345,787 | 373,368 | 513,647 | 682,745 | 893,250 |
| Total Equity & Liabilities | 740,698 | 889,333 | 1,149,018 | 1,488,667 | 1,841,425 |
| ***iQ*method℠ - Bus Performance*** | | | | | |
| Return On Capital Employed | 6.2% | 6.9% | 10.6% | 14.6% | 15.2% |
| Return On Equity | 11.9% | 12.9% | 18.9% | 25.2% | 25.0% |
| Operating Margin | 6.6% | 7.9% | 12.9% | 18.7% | 21.1% |
| EBITDA Margin | 16.6% | 18.3% | 23.0% | 29.4% | 33.0% |
| ***iQ*method℠ - Quality of Earnings*** | | | | | |
| Cash Realization Ratio | 2.5x | 3.3x | 1.9x | 1.5x | 1.6x |
| Asset Replacement Ratio | 1.4x | 2.6x | 2.9x | 3.4x | 2.7x |
| Tax Rate (Reported) | 18.5% | 18.4% | 19.1% | 19.0% | 19.1% |
| Net Debt-to-Equity Ratio | 31.6% | 41.5% | 44.8% | 62.5% | 67.1% |
| Interest Cover | 5.8x | 6.8x | 8.0x | 10.1x | 10.0x |

**Key Metrics**

* For full definitions of *iQmethod*℠ measures, see page 9.

## Company Sector

Semiconductors

## Company Description

Established in 1984 and headquartered in Taiwan, ASE Technology Holding is the no.1 outsourced assembly and testing (OSAT) firm globally, in terms of market share by revenue. ASE acquired Siliconware Precision (SPIL) in 2018, and had acquired USI in 2010, which became its EMS business segment providing synergies in system-level packaging. 2 shares = 1 ADR.

## Investment Rationale

We rate ASE Buy, factoring in the company's opportunity in advanced packaging and testing evidenced in TSMC's outsourcing and its own heavy capex investment. The strategy shift should allow the company to capture fast growing addressable market in high performance computing applications and improves its margins. ASE could maintain its leading position in the Outsourced Semiconductor Assembly and Test (OSAT) universe, owing to its well-established footprints and widespread service offerings.

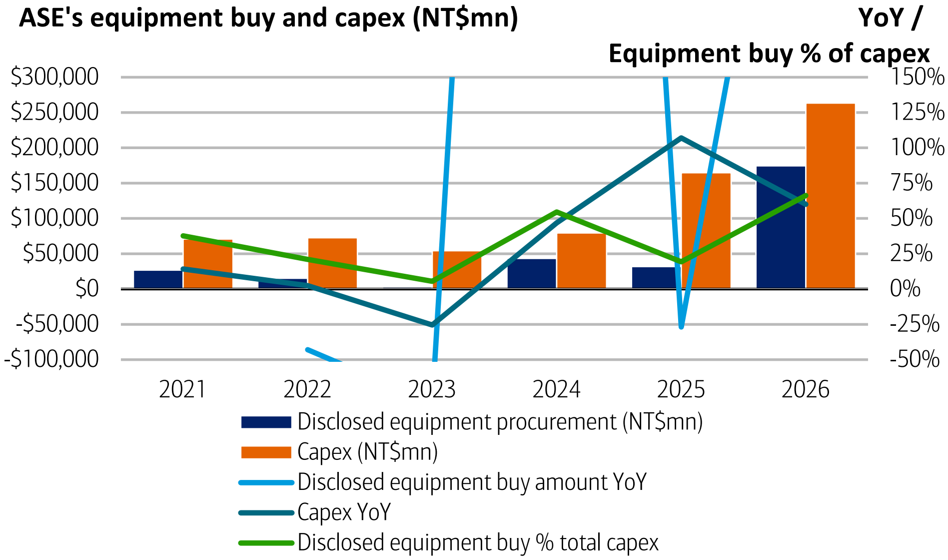
## Stock Data

| | |
|---|---|
| Shares / ADR | 2.00 |
| Price to Book Value | 6.2x |

# Focus charts and tables

**Exhibit 1: ASE's equipment buy YTD vs. capex trend**

ASE's spend on equipment through early July is already tracking 66% of its full year capex guide in '26

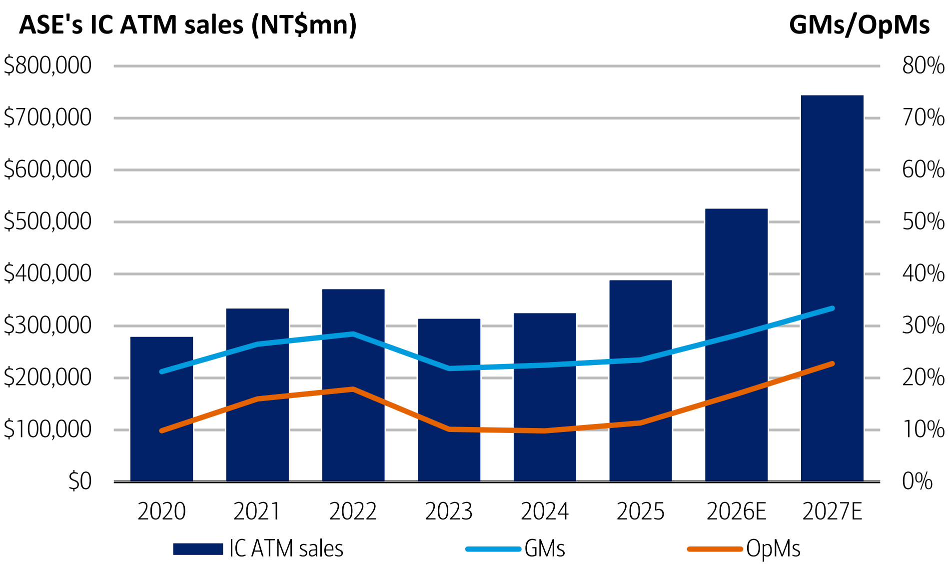



**Source:** BofA Global Research estimates

BofA GLOBAL RESEARCH

**Exhibit 2: ASE IC ATM revenue and GMs/OpMs**

ASE's LEAP business to drive GM expansion to 34% in 2028




**Source:** BofA Global Research estimates

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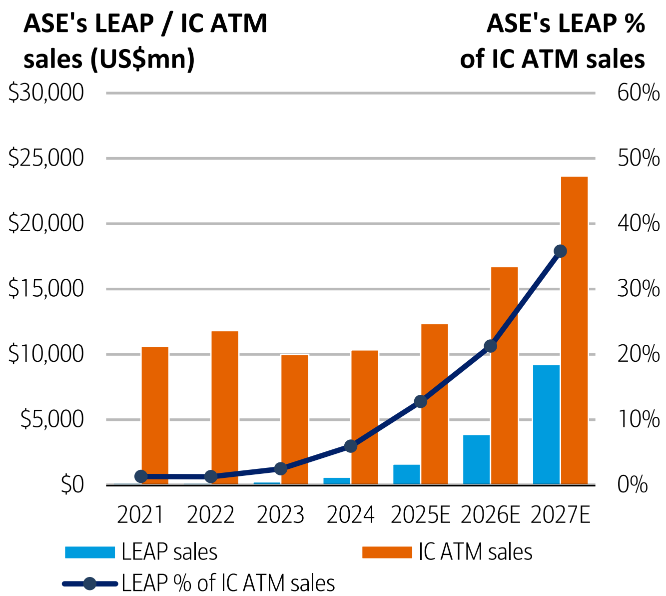
**Exhibit 3: ASE LEAP/IC ATM revenue**
LEAP will account for 37% of IC ATM sales in 2028




**Source:** BofA Global Research estimates

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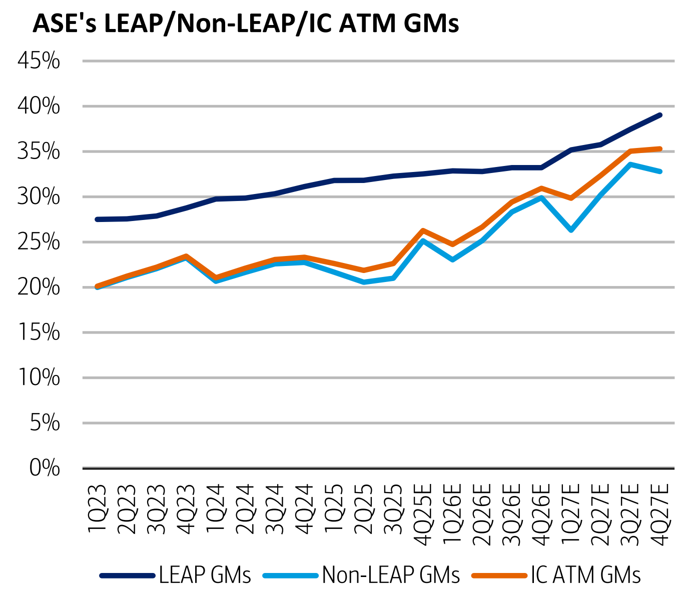
**Exhibit 4: ASE LEAP/non-LEAP/IC ATM GMs**
LEAP is margin accretive to IC ATM business




**Source:** BofA Global Research estimates

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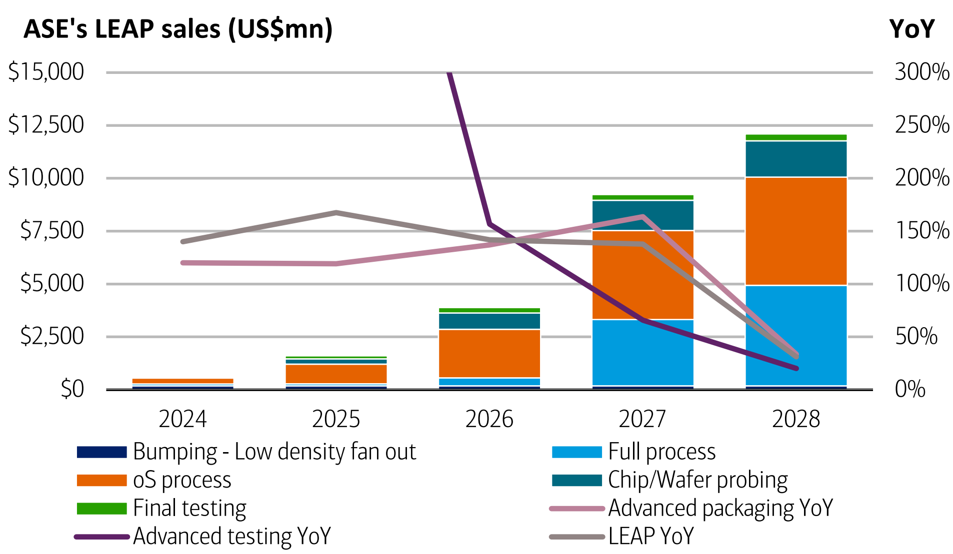
**Exhibit 5: ASE LEAP sales by subsegments and YoY**
ASE's full process packaging will see strong ramp from 2H26




**Source:** BofA Global Research estimates

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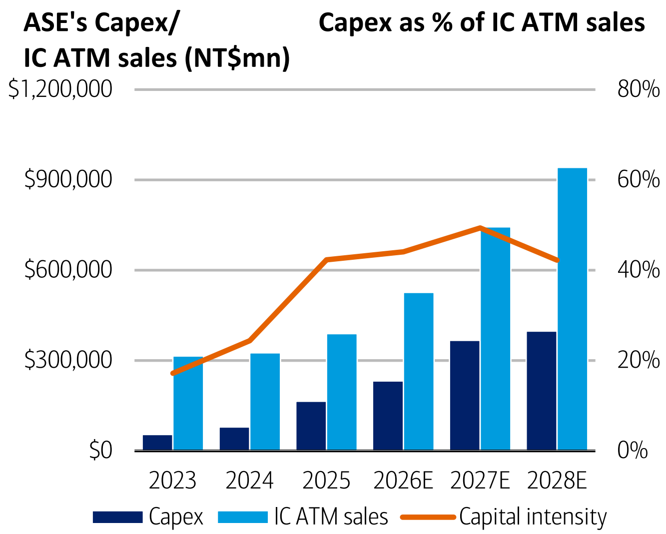
**Exhibit 6: ASE Capex and IC TAM sales**
ASE Capex as % of IC ATM sales remains above 40%




**Source:** BofA Global Research estimates

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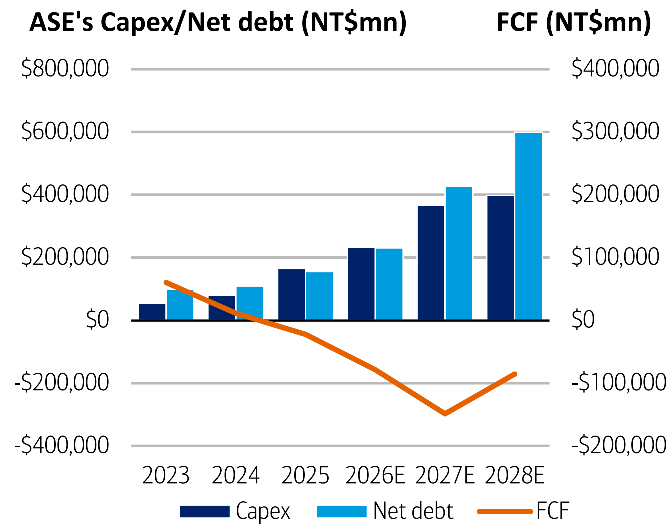
**Exhibit 7: ASE Capex/Net debt/FCF**
ASE needs debt to support Capex expansion




**Source:** BofA Global Research estimates

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**Exhibit 45: Terms and definitions**
Glossary of abbreviations/acronyms

| Term | Definition |
|---|---|
| AI | Artificial Intelligence |
| AMD | Advanced Micro Devices |
| AOI | Automated Optical Inspection |
| API | Application Programming Interface |
| ASIC | Application Specific Integrated Circuit |
| ATC | Active Thermal Control |
| CoPoS | Chip-on-Panel-on-Substrate |
| CoWoS | Chip-on-Wafer-on-Substrate |
| CoWoS-L | Chip-on-Wafer-on-Substrate-Local Silicon Bridge |
| CPO | Co-Packaged Optics |
| CPU | Central Processing Unit |
| DC | Datacenter |
| EFB | Enhanced Fan-out Bridge |
| FoCoS | Fan-Out Chip on Substrate |
| FOPoP | Fan-Out Package on Package |
| FOSiP | Fan-Out System-in-Package |
| FT | Final test |
| GPU | Graphic Processing Unit |
| HBM | High Bandwidth Memory |
| HPC | High-Performance Computing |
| I/O | Input/Output |
| IaaS | Infrastructure as a Service |
| IC ATM | IC Assembly, Testing, and Material |
| IDM | Integrated Device Manufacturer |
| LEAP | Leading-Edge Advanced Packaging |
| MCL | Micro channel lid |
| MPU | Microprocessor Unit |
| NB | NoteBook |
| OSAT | Outsourced Semiconductor Assembly/Testing |
| PC | Personal Computer |
| RDL | Redistribution Layer |
| SLT | System level test |
| SoC | System on Chip |
| SoIC | System on Integrated Chips |
| SoIC-MH | System-on-Integrated-Chips-Molding-Horizontal |
| SWIFT | Silicon Wafer Integrated Fan-out Technology |

**Exhibit 45: Terms and definitions**
Glossary of abbreviations/acronyms

| Term | Definition |
|---|---|
| TAM | Total Addressable Market |
| TPU | Tensor Processing Unit |
| WMCM | Wafer-level-multi-chip-module |
| WPM | Wafer per month |
| WPY | Wafer per year |
| XPU | Accelerating Processing Unit |

**Source:** BofA Global Research estimates

BofA GLOBAL RESEARCH

## Price objective basis & risk

**ASE Technology Holding (XSRIF / ASX)**

We value ASE Technology Holding at NT$750 per share (US$48 for ADR), based on 20x 2H27-1H28E P/E, above its historical range of 5-26x, in view of its solidified industry position in AI era. We use P/E ratio to value ASE as the company has been able to maintain healthy profitability through the cycles in the past 20 years due to consolidating industry landscape supporting a more benign supply/demand and keeping pricing and margins less cyclical.

Downside risks to our PO are 1) share loss and/or ASP erosion owing to Chinese players' cannibalization and/or ASE's worsening execution, 2) weakening end demand due to uncontrollable matters, such as macro halt and/or geopolitical tensions, 3) regulatory issues that could hinder ASE from generating synergies and benefit its competitors.

## 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 |
| | 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 |
| | Chroma ATE | CRMJF | 2360 TT | Haas Liu |
| | eMemory | XYLWF | 3529 TT | Mike Yang |

**APR - Semiconductor Coverage Cluster**

| Investment rating | Company | BofA Ticker | Bloomberg symbol | Analyst |
|---|---|---|---|---|
| | 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 |
| | 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 |
| | 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 | XPPZF | 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 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 |
| | Crystal Clear | XPPTF | 300655 CH | Dai Shen |
| | Hangzhou Silan Microelectronics | XDFRF | 600460 CH | Daley Li, CFA |
| | LX Semicon | XLXSF | 108320 KS | Simon Woo, CFA |
| | Novatek | NVKMF | 3034 TT | Haas Liu |
| | Realtek | RLTKF | 2379 TT | Mike Yang |
| | Shenzhen Goodix | XQPLF | 603160 CH | Daley Li, CFA |
| **UNDERPERFORM** | | | | |
| | Faraday | FDYTF | 3035 TT | Haas Liu |
| | GlobalWafers | XWLFF | 6488 TT | Mike Yang |
| | Hua Hong Semi | HHUSF | 1347 HK | Dai Shen |
| | Lion Electronics | XDHFF | 605358 CH | Dai Shen |
| | M31 Technology | XMTZF | 6643 TT | Mike Yang |
| | Macronix International | MXICF | 2337 TT | Dai Shen |
| | 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 |
| **RSTR** | | | | |
| | SK Hynix | HXSCF | 000660 KS | Simon Woo, CFA |

## *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 |

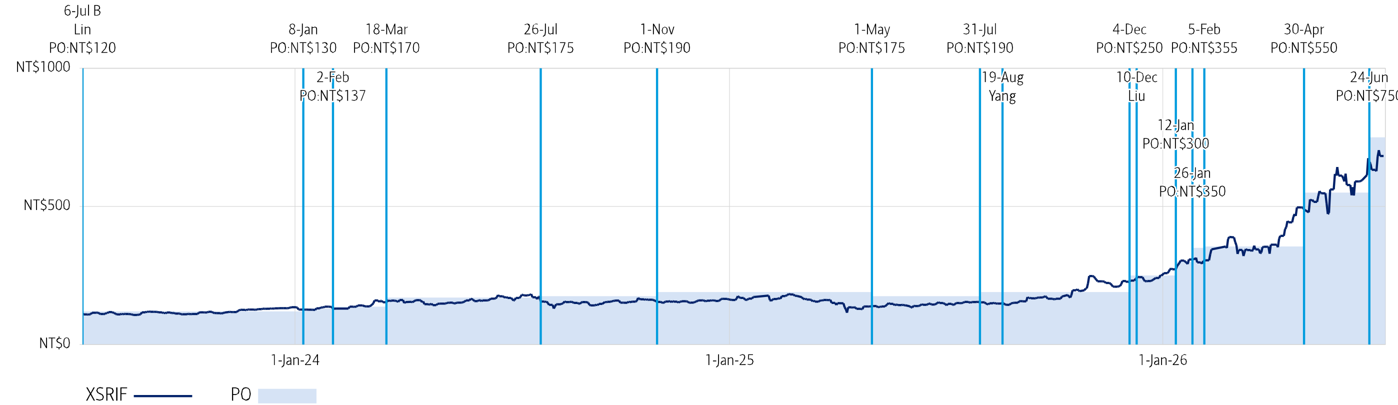
*iQmethod*℠ is the set of BofA Global Research standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and validations. The key features of iQmethod are: A consistently structured, detailed, and transparent methodology. Guidelines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

*iQdatabase*® is our real-time global research database that is sourced directly from our equity analysts' earnings models and includes forecasted as well as historical data for income statements, balance sheets, and cash flow statements for companies covered by BofA Global Research.

# Disclosures

## Important Disclosures

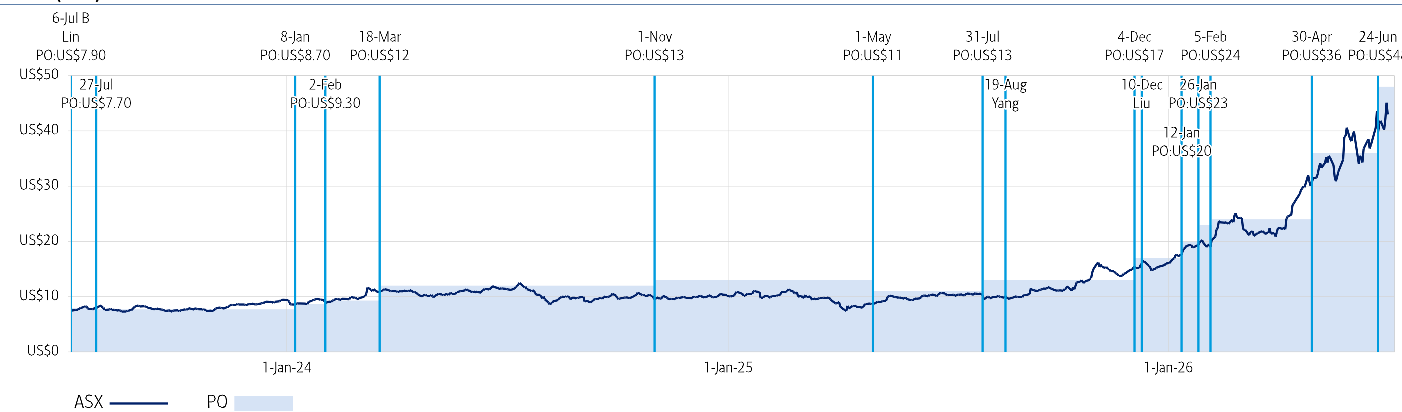
### ASE Technology (XSRIF) Price Chart




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.

### ASE -ADR (ASX) Price Chart




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

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**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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