Alchip

Solid Trn3 ramp at improving production margins; Trn4 chipset tape out on track

Reiterate Rating: BUY | PO: 6,100 TWD | Price: 4,210 TWD

14 August 2026

Equity

Resilient 2Q/2H26 GMs even with strong Trainium3 ramp

2Q26 sales was +83% QoQ with production business outgrowing NRE driven by initial contribution of Trainium3 from June along with healthy China ADAS SoC demand. With mix skewed to lower margins production, headcount expansion, annual salary hike and more EDA usage, 2Q26 GM/OpM was 35%/22% (vs. 50%/33% in 1Q26), taking 2Q26 EPS to NT$20.02. While its production business could reach 80-90% of its sales in 2H26, GM/OpM is guided to stay 20-25%/15% (Trainium1 at 10-15%/10%) on its growing value add in back-end design and supply chain support even with COT model.

Trn3/4 locked in; other CSP CPU/ASIC projects in progress

We expect Trainium3 to generate US$1.3bn sales to Alchip in ’26 (60% of its total sales) and could ramp further in ’27 to US$2.2bn (68% of its sales) before Trainium4 on 2nm tapes out in 4Q26 and enters production from 4Q27 for the dollar content uplift on higher chiplet design complexity and larger reticle size for the package integrating more compute and I/O tiles, along with meaningful volume opportunity as Amazon targets to adopt the chipset more aggressively in house and sell Trainium-based hardware noted in our preview. On top of the US$4bn revenue in ’28 and US$17bn addressable potential (ex-HBM) through the lifecycle for Trainium4, Alchip is engaged with other hyperscalers potentially on N5 ARM CPUs and certain part of the ASIC projects for contribution in ‘28.

Firmer ‘26-28 earnings visibility at compelling valuation

On ramping Trainium3 revenue and better Trainium4 project visibility supplemented by better than feared margins profile for the project from 2H26-2027, we lift ‘26/’27 EPS from NT$132.78/NT$201.25 to NT$132.94/NT$204.17. We keep Buy rating and raise PO to NT$6,100 (vs. NT$6,000 prior) still on 30x/19x ‘27/28e P/E (vs. its 6-53x range). Our analysis shows every 100k incremental Trn3/4 chipset units could add its EPS by NT$5/NT$15 in ‘27/’28, putting the share 20x/13x ‘27/28e P/E attractive on the cloud ASIC TAM upside.

Estimates (Dec) (NT$)	2024A	2025A	2026E	2027E	2028E
Net Income (Adjusted - mn)	6,446	5,598	10,881	16,712	26,087
EPS	81.34	69.18	132.94	204.17	318.72
EPS Change (YoY)	78.9%	-14.9%	92.2%	53.6%	56.1%
Consensus EPS (Visible Alpha)			128.47	177.24	247.24
Dividend / Share	40.05	35.98	69.13	106.17	165.74
Free Cash Flow / Share	17.16	160.46	136.69	225.21	197.31
Valuation (Dec)					
P/E	51.76x	60.85x	31.67x	20.62x	13.21x
Dividend Yield	0.951%	0.855%	1.64%	2.52%	3.94%
EV / EBITDA*	35.47x	40.14x	22.46x	15.07x	9.87x
Free Cash Flow Yield*	0.375%	3.58%	3.08%	5.08%	4.45%

* For full definitions of *iQmethod* SM measures, see page 8.

Key Changes

(NT$)	Previous	Current
Price Obj.	6,000.00	6,100.00
2026E EPS	132.78	132.94
2027E EPS	201.25	204.17
2028E EPS	313.80	318.72
2026E EBITDA (m)	14,738.2	14,432.4
2027E EBITDA (m)	21,596.4	21,515.0
2028E EBITDA (m)	32,663.5	32,851.0

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Stock Data

Price	4,210 TWD
Price Objective	6,100 TWD
Date Established	14-Aug-2026
Investment Opinion	C-1-7
52-Week Range	2,480 TWD-5,640 TWD
Mrkt Val / Shares Out (mn)	11,284 USD / 86.2
Market Value (mn)	362,922 TWD
Average Daily Value (mn)	303.49 USD
Free Float	90.8%
BofA Ticker / Exchange	ALCPF / TAI
Bloomberg / Reuters	3661 TT / 3661.TW
ROE (2026E)	20.2%
Net Dbt to Eqty (Dec-2025A)	-95.2%

iQprofile SM Alchip

Key Income Statement Data (Dec)	2024A	2025A	2026E	2027E	2028E
(NT$ Millions)					
Sales	51,969	30,926	64,289	100,858	176,041
Gross Profit	10,201	8,154	16,055	23,582	37,763
Sell General & Admin Expense	(1,563)	(1,306)	(1,291)	(1,409)	(2,238)
Operating Profit	6,496	5,017	11,664	18,746	30,082
Net Interest & Other Income	1,312	1,703	1,568	1,487	1,487
Associates	NA	NA	NA	NA	NA
Pretax Income	7,808	6,720	13,232	20,234	31,570
Tax (expense) / Benefit	(1,362)	(1,124)	(2,364)	(3,526)	(5,486)
Net Income (Adjusted)	6,446	5,598	10,881	16,712	26,087
Average Fully Diluted Shares Outstanding	79	81	82	82	82
Key Cash Flow Statement Data					
Net Income	6,446	5,598	10,881	16,712	26,087
Depreciation & Amortization	2,644	3,061	2,769	2,769	2,769
Change in Working Capital	(438)	4,594	113	4,000	(3,900)
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	(5,293)	2,018	808	(4)	(4)
Cash Flow from Operations	3,358	15,272	14,571	23,476	24,952
Capital Expenditure	(1,998)	(2,287)	(3,383)	(5,043)	(8,802)
(Acquisition) / Disposal of Investments	573	(4,474)	(4,688)	0	0
Other Cash Inflow / (Outflow)	748	934	2,604	(800)	(800)
Cash Flow from Investing	(676)	(5,828)	(5,466)	(5,843)	(9,602)
Shares Issue / (Repurchase)	14,330	0	0	0	0
Cost of Dividends Paid	(1,818)	(2,946)	(2,911)	(5,658)	0
Cash Flow from Financing	12,855	(2,653)	(2,813)	(5,658)	0
Free Cash Flow	1,360	12,985	11,188	18,433	16,150
Net Debt	(29,428)	(38,882)	(49,817)	(61,792)	(77,142)
Change in Net Debt	(16,885)	(5,583)	(6,863)	(11,975)	(15,350)
Key Balance Sheet Data					
Property, Plant & Equipment	1,775	1,680	0	0	0
Other Non-Current Assets	2,350	3,302	31,700	31,700	31,700
Trade Receivables	5,730	3,011	8,118	4,254	9,730
Cash & Equivalents	29,428	38,882	49,817	61,792	77,142
Other Current Assets	11,026	11,165	11,969	8,110	16,978
Total Assets	50,309	58,039	101,604	105,855	135,550
Long-Term Debt	0	0	0	0	0
Other Non-Current Liabilities	161	240	11,108	11,108	11,108
Short-Term Debt	0	0	0	0	0
Other Current Liabilities	10,672	16,975	23,542	16,338	24,120
Total Liabilities	10,833	17,214	34,650	27,446	35,228
Total Equity	39,477	40,824	66,954	78,409	100,322
Total Equity & Liabilities	50,309	58,039	101,604	105,855	135,550
iQ**method* SM **- Bus Performance					
Return On Capital Employed	22.0%	13.6%	18.1%	19.9%	25.9%
Return On Equity	22.4%	14.0%	20.2%	23.0%	29.2%
Operating Margin	12.5%	16.2%	18.1%	18.6%	17.1%
EBITDA Margin	17.6%	26.1%	22.4%	21.3%	18.7%
iQ**method* SM **- Quality of Earnings					
Cash Realization Ratio	0.5x	2.7x	1.3x	1.4x	1.0x
Asset Replacement Ratio	0.9x	0.8x	1.5x	2.3x	3.9x
Tax Rate (Reported)	17.4%	16.7%	17.9%	17.4%	17.4%
Net Debt-to-Equity Ratio	-74.5%	-95.2%	-74.4%	-78.8%	-76.9%
Interest Cover	NM	NM	NM	NM	NM

Key Metrics

* For full definitions of *iQmethod* SM measures, see page 8.

Company Sector

Semiconductors

Company Description

Alchip is a pure IC design service company headquartered in Taiwan and has strong presence in Greater China. Its focus is on advanced AI/HPC chip-design, largely built on leading edge process by the foundry. Beyond Greater China and computing chips, it also has customers in US/Europe/Japan, etc, and from networking/gaming areas.

Investment Rationale

We have a Buy rating on Alchip, as we still like its industry position for leading edge chip-design, as well as its visibility of sustained growth into 2027 along with continuous ramps from key projects on mass production side.

Stock Data

Price to Book Value	5.4x

Focus charts and tables

Exhibit 1: Alchip 2Q26-3Q26 and 2026-27 estimates BofAe vs. street
Our EPS estimates for '26/27 is now NT$132.94/204.17

	2Q26E			3Q26E			2026E			2027E		
	Actual	**Old**	**Street**	**BofAe**	**Old**	**Street**	**BofAe**	**Old**	**Street**	**BofAe**	**Old**	**Street**
Sales (NT$mn)	$7,640	$7,610	$9,271	$23,913	$23,965	$26,387	$64,289	$64,165	$74,288	$100,858	$100,359	$115,557
Sales QoQ / YoY (%)	82.5%	81.8%	121.4%	213.0%	214.9%	184.6%	107.9%	107.5%	140.2%	56.9%	56.4%	55.6%
Gross profit (NT$mn)	$2,662	$2,275	$2,880	$5,306	$5,338	$5,208	$16,055	$15,696	$16,742	$23,582	$23,320	$22,567
GMs (%)	34.8%	29.9%	31.1%	22.2%	22.3%	19.7%	25.0%	24.5%	22.5%	23.4%	23.2%	19.5%
Operating profit (NT$mn)	$1,647	$1,315	$2,014	$3,920	$4,019	$3,953	$11,664	$11,492	$12,466	$18,746	$18,350	$17,251
OpMs (%)	21.6%	17.3%	21.7%	16.4%	16.8%	15.0%	18.1%	17.9%	16.8%	18.6%	18.3%	14.9%
Pretax profit (NT$mn)	$2,035	$1,752	$2,285	$4,327	$4,375	$4,276	$13,232	$13,058	$13,660	$20,234	$19,837	$18,144
Pretax margins (%)	26.6%	23.0%	24.7%	18.1%	18.3%	16.2%	20.6%	20.3%	18.4%	20.1%	19.8%	15.7%
Tax expense (NT$mn)	-$396	-$297	-$424	-$735	-$743	-$805	-$2,351	-$2,252	-$2,377	-$3,522	-$3,459	-$3,236
Tax rate (%)	19.5%	16.9%	18.5%	17.0%	17.0%	18.8%	17.8%	17.2%	17.4%	17.4%	17.4%	17.8%
Net profit (NT$mn)	$1,638	$1,455	$1,862	$3,593	$3,632	$3,471	$10,881	$10,806	$11,284	$16,712	$16,378	$14,908
Net margins (%)	21.4%	19.1%	20.1%	15.0%	15.2%	13.2%	16.9%	16.8%	15.2%	16.6%	16.3%	12.9%
EPS (NT$)	$20.01	$17.88	$22.71	$43.89	$44.64	$42.70	$132.94	$132.78	$137.02	$204.17	$201.25	$180.65

Source: BofA Global Research estimates, Bloomberg

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Exhibit 2: Alchip's revenue analysis from 2024-28
AWS Trainium projects will again be the major growth driver for Alchip in 2026-28

Alchip revenue analysis	2024	2025	2026	2027	2028
AWS - Trainium1	$1,167	$421	$0	$0	$0
AWS - Trainium2	$0	$0	$0	$0	$0
AWS - Trainium3	$0	$0	$1,246	$2,158	$612
AWS - Trainium4	$0	$0	$0	$0	$3,724
AWS cloud projects	$1,167	$421	$1,246	$2,158	$4,336
Other cloud AI projects	$15	$39	$51	$66	$105
Li Auto	$0	$80	$135	$236	$307
Networking	$36	$29	$37	$43	$64
Consumer	$23	$119	$125	$140	$162
Niche	$49	$15	$17	$20	$23
Total turnkey revenue (US$mn)	$1,290	$703	$1,614	$2,670	$5,000
Total turnkey revenue (NT$mn)	$41,391	$21,933	$51,212	$84,896	$159,006
NRE project content (US$mn)	$13.2	$16.0	$27.5	$38.6	$53.6
Total NRE revenue (US$mn)	$330	$288	$412	$502	$536
Total NRE revenue (NT$mn)	$10,578	$8,993	$13,077	$15,963	$17,035
Alchip total revenue (US$mn)	$1,619	$991	$2,027	$3,172	$5,536
Alchip total revenue (NT$mn)	$51,969	$30,926	$64,289	$100,858	$176,041

Source: BofA Global Research estimates

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Exhibit 3: Alchip's 2027 EPS sensitivity analysis
Every 100k additional Trn3 units could add NT$5 EPS

Trn3 chip demand (mn units)	Trainium3 chipset pricing (US$)				
	$950	$1,000	$1,055	$1,150	$1,250
1.00	$127.80	$130.95	$134.41	$140.38	$146.67
1.50	$157.67	$162.39	$167.57	$176.53	$185.97
2.05	$190.63	$197.08	$204.17	$216.43	$229.33
2.50	$217.41	$225.27	$233.91	$248.84	$264.56
3.00	$247.27	$256.70	$267.08	$285.00	$303.86
3.50	$277.14	$288.14	$300.25	$321.16	$343.16

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Exhibit 4: Alchip's 2028 EPS sensitivity analysis
Every 100k additional Trn4 units could add NT$15 EPS

Trn4 chip demand (mn units)	Trainium4 chipset pricing (US$)				
	$2,800	$2,900	$3,006	$3,100	$3,200
1.00	$228.96	$235.21	$241.85	$247.73	$253.98
1.20	$263.99	$271.49	$279.45	$286.51	$294.01
1.44	$306.64	$315.67	$325.25	$333.73	$342.76
1.80	$369.08	$380.33	$392.27	$402.85	$414.11
2.30	$456.65	$471.03	$486.29	$499.81	$514.20
2.80	$544.22	$561.73	$580.30	$596.76	$614.28

Source: BofA Global Research estimates

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Exhibit 5: Alchip's share price sensitivity analysis

Alchip's share at current level is valued at conservative 1.5mn Trn3 unit assumption in '27 and 20x P/E (vs. its 6-53x range)

Alchip 2027 P/E	Alchip 2027 EPS (NT$)				
	$145	**$170**	**$204**	**$235**	**$265**
20x	$2,900	$3,400	$4,083	$4,700	$5,300
25x	$3,625	**$4,250**	**$5,104**	**$5,875**	$6,625
30x	$4,332	**$5,079**	**$6,100**	**$7,021**	$7,917
32x	$4,640	**$5,440**	**$6,534**	**$7,520**	$8,480
35x	$5,075	$5,950	$7,146	$8,225	$9,275
38x	$5,510	$6,460	$7,759	$8,930	$10,070

Source: BofA Global Research estimates

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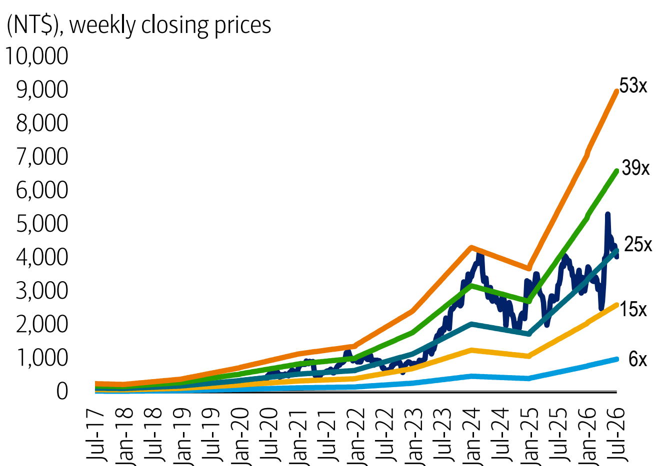
Exhibit 6: Alchip's P/E valuation band

Alchip's historical P/E range is 6-53x



Source: BofA Global Research estimates, Bloomberg

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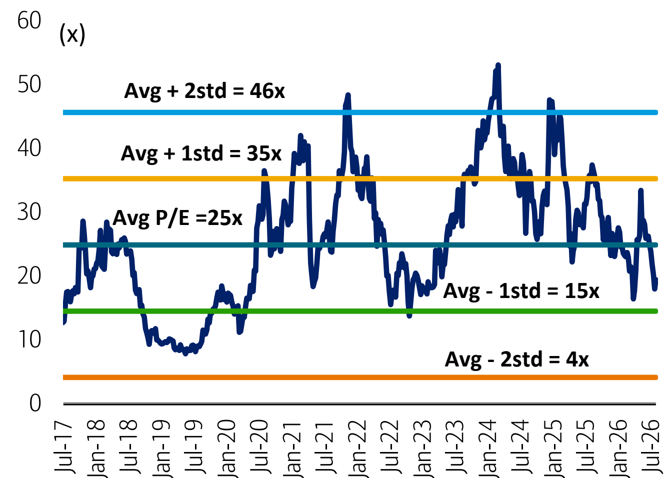
Exhibit 7: Alchip's valuation based on BofA estimates

Alchip's current share at 19x 2027 P/E



Source: BofA Global Research estimates

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Exhibit 9: Terms and definitions

Glossary of abbreviations/acronyms

Term	Definition
AI	Artificial Intelligence
ADAS	Advanced Driver Assistance Systems
ASIC	Application Specific Integrated Circuit
COT	Customer Owned Tooling
EV	Electric Vehicle
GW	Gigawatt
HBM	High Bandwidth Memory
NRE	Non-Recurring Engineering
SoC	System-on-Chip
TPU	Tensor Processing Unit
Trn3	Trainium 3
Trn4	Trainium 4

Source: BofA Global Research

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Price objective basis & risk

Alchip (ALCPF)
Our NT$6,100 PO is based on 30x 2027E P/E, at midcycle of the company's historical trading range of 6-53x. In our view, this is backed by 1) operating/net margin of 18%/17% in 2026-27E, 2) EPS CAGR of 55% during 2026-28E, and 3) ROE of 25-30% in 2026-28E.

Upside risks:
1) earlier and faster ramp of other non-AWS projects to enter into production stage
2) looser restriction from the US on China, where Alchip generates better margin with strong demand

Downside risks:
1) intensified competition pressure from existing and emerging peers,
2) failure or delay to execute node migration and corresponding product roll-out for customers,
3) a slowdown in foundry node migration, which allows a longer time window for peers to catch up in advanced chip-design, or makes AI more easily to replace the chip-design service provided by the employees/engineers,
4) lack of or insufficient supply support (foundry, back-end, etc), especially when demand is strong from other customers for these supply chain partners.

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
	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 Grace	HHUSF	1347 HK	Dai Shen
	LX Semicon	XLXSF	108320 KS	Simon Woo, CFA
	M31 Technology	XMTZF	6643 TT	Mike Yang

APR - Semiconductor Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	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

*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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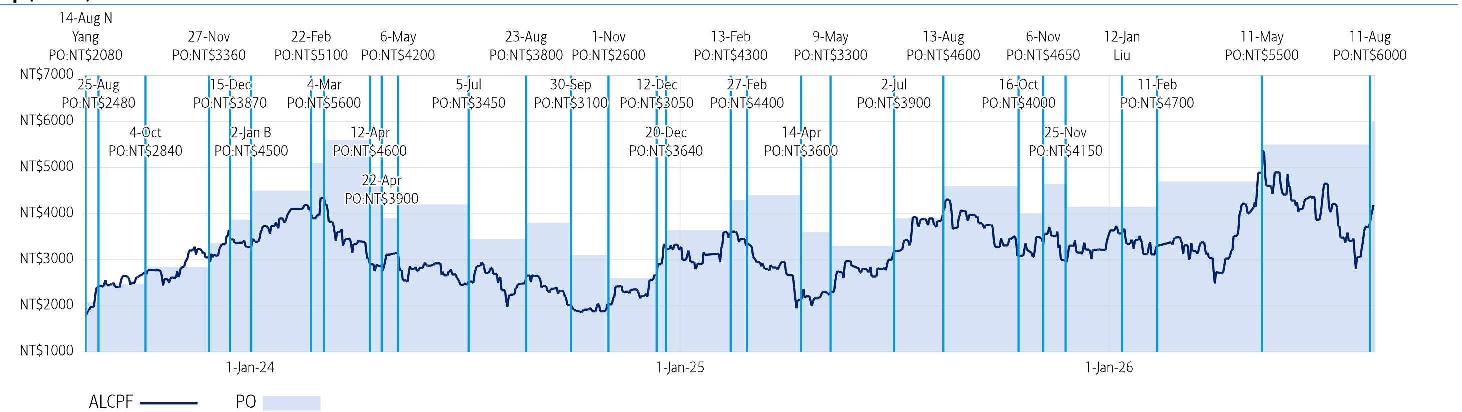
Important Disclosures

Alchip (ALCPF) 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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