

# Top 10 Asia Pac Ideas Quarterly

## Introducing the Top 10 Asia Pac Ideas for Q2 2025

### Top 10 Asia Pac Ideas – Q2 2025

We present our new list of 10 short-term stock recommendations among Asia Pac companies we cover based on our view that these stocks could have the most significant market and business-related catalysts in the quarter ahead.

We have constructed our list by canvassing BofA Fundamental Equity Research analysts to find 10 Asia Pac stocks that we cover and believe will significantly outperform/underperform peers in Q2 2025. We have then narrowed the list after consulting Equity Research management, our Asia Pac strategy teams and sector heads, taking care to diversify exposures and drivers. We consider only Buy-rated names for our outperform ideas and Underperform-rated names for underperform ideas.

Our Q2 2025 list consists of nine Buy-rated stocks and one Underperform-rated stock. **The 9 Buys are Faraday, Hyundai Motor, Kumho Petrochemical, NIB Holdings, Nitori, Obayashi, Pop Mart, Sony and Xiaomi. The Underperform is Bharat Electronics.**

### How the list will be maintained and updated

We will publish this list at the beginning of each quarter. Ideas will remain on the list through the quarter, unless coverage is dropped or the recommendation changes. Any security removed during a quarter will not be replaced. If there are changes to the list during the quarter, we will announce the change in a research report. Securities are intended to stay on the list for one quarter, though some may be chosen again for the next quarter's list.

#### Exhibit 1: Top 10 Asia Pac Ideas List – Q2 2025

High conviction stock recommendations for the quarter ahead

Company Name	Analyst	BBG Ticker	ML Ticker	Rating	PO	PO Upside
Faraday	Yang, Mike	3035 TT	FDYTF	BUY	TWD 305.00	39%
Hyundai Motor	Hwang, KJ	005380 KS	HYMLF	BUY	KRW 324,000	63%
Kumho Petrochemical	Lee, Joon-Ho	011780 KS	KKMHF	BUY	KRW 160,000	33%
NIB Holdings	Kong, Freya	NHF AU	NIBHF	BUY	AUD 8.10	18%
Nitori Holdings	Nishizawa, Arashi	9843 JP	NCLTF	BUY	JPY 20,000	39%
Obayashi	Kasai, Takumi	1802 JP	OBYCF	BUY	JPY 2,700	37%
Pop Mart	Ma, Alice	9992 HK	POPMF	BUY	HKD 200.00	22%
Sony Group Corp	Hirakawa, Mikio	6758 JP	SNEJF	BUY	JPY 4,500	20%
Xiaomi	Cheng, Robert	1810 HK	XIACF	BUY	HKD 63.00	35%
Bharat Electronics	Shah, Amish	BHE IN	BHRTF	U/P	INR 224.00	-23%

Source: Bloomberg and BofA Global Research estimates

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02 April 2025

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**Refer to important disclosures on page 47 to 51. Analyst Certification on page 37. Price Objective Basis/Risk on page 34.**

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## Top 10 Asia Pac Ideas of the quarter

We update our list of 10 stock recommendations for Asia Pac companies that we cover, based on our views that these could have the most significant market and business-related catalysts in the quarter ahead.

Our idea in constructing this top 10 Asia Pac ideas list is to canvass the views of our fundamental equity teams across each of the sectors we cover in Asia Pac to identify 10 stocks that we believe will either significantly outperform or underperform peers in a given sector by the most significant amount during the quarter. We will publish this list at the beginning of each quarter.

### Stock Selection Committee and criteria

Given the breadth and scope of our overall coverage of stocks and sectors in Asia Pac, we recognize this recommended list cannot include nor is it designed to include all major catalysts. Our objective is to identify what we believe will be the highest impact ideas in each quarter when we publish the list.

To provide structure and discipline to the stock selection process, a committee drawn from members of research management, our Asia Pac strategy teams and sector heads will be responsible for soliciting views on catalysts from our fundamental equity teams and making determinations of which companies will comprise the list for each quarter.

To qualify as an outperform idea, a stock must have a Buy recommendation from our fundamental equity analyst. To qualify as an Underperform idea, a stock must have an Underperform recommendation from our fundamental equity analyst. Diversity of the list and BofA macro views will also be factors in choosing stocks for the list.

### Additions/removals from the list & performance

Once selected, our intention is that a stock would remain on the list for that quarter, unless rendered ineligible due to a change in the fundamental rating, or if the stock is no longer covered by BofA Fundamental Equity Research. The committee may, at its discretion, remove a stock in the case of any significant event related to the stock. A stock removed during a quarter will not be replaced. For all changes to the list in any quarter, we will announce the change in a research report.

A stock may be included in the list for a subsequent quarter if we believe that the catalyst identified for the stock in the previous quarter continues to apply for the next quarter also. Our views on the relative share price out/underperformance would also be factors in making this choice.

Although we will generally seek to balance the list, we recognize that market conditions, catalysts and levels of conviction vary over time, and could result in differing numbers of outperform and underperform ideas.

### Q2 2025 list

Our Q2 2025 list consists of nine Buy-rated stocks and one Underperform-rated stock.

**The 9 Buys are Faraday, Hyundai Motor, Kumho Petrochemical, NIB Holdings, Nitori, Obayashi, Pop Mart, Sony and Xiaomi. The Underperform is Bharat Electronics.**



# Bharat Electronics

Amish Shah, CFA >>

BofAS India

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## Exhibit 2: Bharat Electronics | Shah,Amish | UNDERPERFORM | PO: 224 INR | Price: 292.00 INR

A summary of stock data, description, drivers, estimates & valuation, financial statements

Stock Data	
Industry	Electrical Equipment
BofA Ticker / Exchange	BHRTF/ NSI
Bloomberg / Reuters	BHE IN / BAJE.BO
Market Value (mn) / Shares Outstanding (mn)	25,981 USD / 7,370
Free Float	24.10%
Average Daily Volume 30 day (US\$m)	81.26
% of Sell-Side rated 'UNDERPERFORM'	7%

### Company Description

Bharat Electronics (BEL) is India's leading defense electronics company (Gol 56%). Its key products are radars, weapon systems (missiles), defense communication (radio), electronic warfare systems, avionics, fire control systems and electro optics (night vision devices). Defense contributes 90% of BEL's revenues, with the balance in civilian projects such as tablet PCs and national population register. BEL is currently a key supplier to the Akash Missile Programme for the Indian Army and Air Force.

### Key Drivers

Bharat Electronics is a key beneficiary of India's thrust on defense indigenization & exports. While we remain constructive on the medium-term story, given Street estimates are already at the upper end of guidance, earnings upgrades could take a breather. Valuation at 30x PE, beyond +2SD, more than prices in the positives. Thus we remain Underperform on the name.

Key Estimates & Ratios (Mar)	2023A	2024A	2025E	2026E	2027E
EPS (INR)	4.09	5.45	6.81	7.89	9.16
Dividend / Share (INR)	1.80	2.20	2.69	3.12	3.63
Free Cash Flow / Share (INR)	1.00	5.17	3.28	7.54	2.41
P/E	73.76x	55.27x	44.25x	38.21x	32.90x
P/B	16.02x	13.60x	11.48x	9.73x	8.27x
Dividend Yield	0.60%	0.73%	0.89%	1.03%	1.20%
EV / EBITDA*	51.82x	41.96x	34.46x	29.70x	25.01x
Free Cash Flow Yield*	0.33%	1.70%	1.08%	2.48%	0.79%
Return On Equity	22.84%	26.40%	27.91%	27.35%	26.95%
Return On Capital Employed	20.18%	24.35%	25.45%	24.69%	24.41%
Key Income Statement Data (Mar) (INR Millions)	2023A	2024A	2025E	2026E	2027E
Sales	177,344	202,682	236,477	276,832	325,708
Gross Profit	79,069	96,919	111,482	127,746	150,289
Sell General & Admin Expense	(38,210)	(46,455)	(50,035)	(56,449)	(65,624)
Operating Profit	36,571	46,032	56,922	66,016	78,636
Net Interest & Other income	2,659	6,630	9,028	10,434	10,261
Pretax Income	39,229	52,662	65,951	76,450	88,896
Tax (expense) / Benefit	(9,826)	(13,231)	(16,601)	(19,230)	(22,375)
Net Income (Adjusted)	29,861	39,852	49,772	57,641	66,943
Key Cash Flow Statement Data	2023A	2024A	2025E	2026E	2027E
Net Income	29,861	39,852	49,772	57,641	66,943
Depreciation & Amortization	4,288	4,432	4,526	5,281	6,030
Change in Working Capital	(18,049)	6,128	(10,503)	12,499	(35,197)
Cash Flow from Operations	12,985	43,361	32,995	63,216	25,743
Capital Expenditure	(5,654)	(5,543)	(9,036)	(8,100)	(8,100)
(Acquisition) / Disposal of Investments	9,265	(52)	(982)	0	0
Cash Flow from Investing	6,420	1,106	(914)	2,416	2,249
Cash Flow from Financing	(13,926)	(15,017)	(19,586)	(22,875)	(26,611)
Free Cash Flow	7,331	37,818	23,958	55,116	17,643
Net Debt	(81,116)	(110,566)	(123,061)	(165,818)	(167,198)
Key Balance Sheet Data	2023A	2024A	2025E	2026E	2027E
Property, Plant & Equipment	38,178	39,289	43,800	46,619	48,689
Other Non-Current Assets	16,256	15,348	19,909	21,563	23,850
Trade Receivables	70,335	73,924	77,630	83,333	80,289
Cash & Equivalents	81,116	110,566	123,061	165,818	167,198
Other Current Assets	149,027	156,140	161,404	182,316	214,518
Total Assets	354,912	395,267	425,803	499,649	534,544
Long-Term Debt	0	0	0	0	0
Other Non-Current Liabilities	10,460	11,556	20,104	23,305	27,182
Short-Term Debt	NA	NA	NA	NA	NA
Other Current Liabilities	205,658	220,267	212,580	248,797	239,817
Total Liabilities	216,118	231,823	232,684	272,102	266,999
Total Equity	138,794	163,444	193,119	227,546	267,545

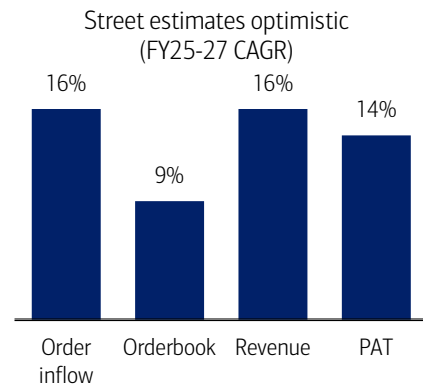
Source: Company reports, BofA Global Research estimates. Note: \*For full definitions of iQmethodSM measures, see page 33.

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**Exhibit 3: Street estimates are optimistic...**

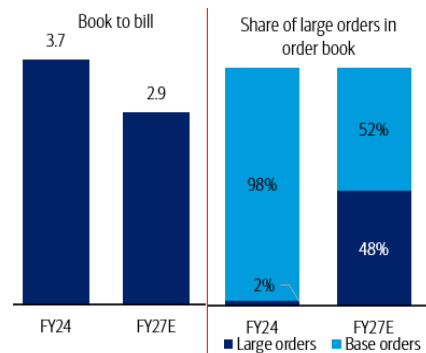
... unlikely to see upgrades



Source: BofA Global Research, Bloomberg, Visible Alpha  
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**Exhibit 4: Declining book to bill and increasing share of large orders**

... could slow revenue growth

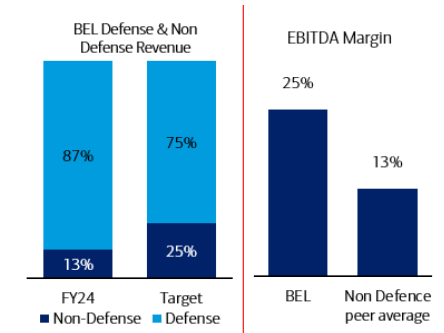


Source: BofA Global Research estimates, Bloomberg, Visible Alpha

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**Exhibit 5: Increasing share of non-defense margin dilutive**

Margins to remain flat at best vs consensus expectations of expansion

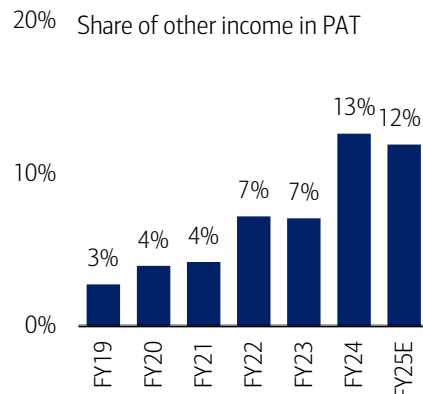


Source: BofA Global Research, company

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**Exhibit 6: Share of other income significant**

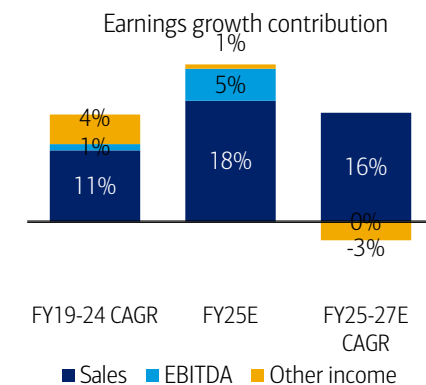
Other income contributes 12-13% of BEL's PAT



Source: BofA Global Research estimates, company  
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**Exhibit 7: ...unlikely a tailwind here on out**

Contribution to earnings growth could remain flat at best

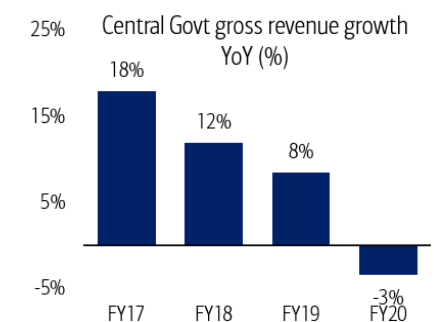


Source: BofA Global Research estimates, company

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**Exhibit 8: Slowing tax growth historically has posed risks to DPSUs balance sheets...**

Post GST, govt tax growth declined to -3% in FY20 vs 18% in FY17

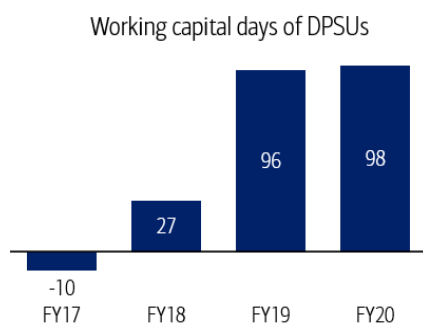


Source: BofA Global Research, Ministry of Finance

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**Exhibit 9: ...leading to sharp jump in DPSUs, working capital in the same period**

DPSUs saw severe stress in working capital in the same period

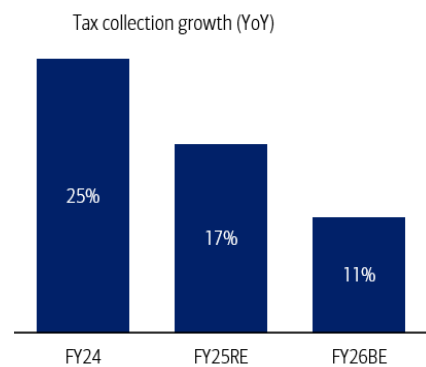


Source: BofA Global Research, company

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**Exhibit 10: Similar story unfolding now?**

Govt tax collection growth likely to slow down to 11% in FY26 vs 25% in FY24

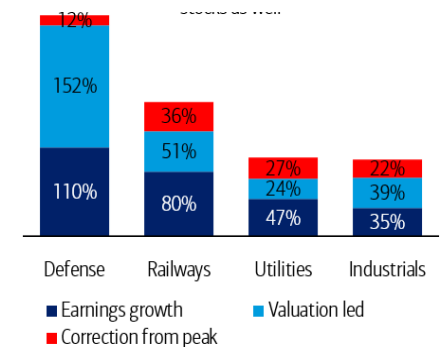


Source: BofA Global Research estimates, Ministry of Finance

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**Exhibit 11: Lastly, valuation still expensive for momentum stocks**

Despite correction valuations for defense stocks including BEL remain expensive



Source: BofA Global Research, Bloomberg

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### Investment rationale

India's defense sector has experienced many reforms over the past six years: DPSUs (Defense Public Sector Undertakings) were the key beneficiaries of these reforms with BEL's order book growing 3.5x since these reforms started in FY19. Besides, BEL is also one of the key beneficiaries of India's defense export story (FY21-25: 27% CAGR).

That said, most of these positives are already known. Beyond this, we see several potential concerns: (1) Street estimates of 14% earnings growth over FY25-27E are optimistic, in our view, and unlikely to see upgrades; (2) increasing share of large projects (48% in FY27 vs 6% now) could delay revenue recognition due to longer execution cycle; (3) non-defense business could be margin dilutive and thus margin expansion as expected seems tough; (4) higher share of other income inflated profit growth historically but is unlikely to continue; (5) slowing govt tax growth could be a risk for all-time high margins and RoEs as well as working capital; and (6) finally, given the sharp valuation re-rating over the past two years, we see momentum plays including the Defense sector vulnerable to broader correction.

### Downside catalysts

- Balance sheet and working capital reporting for the March quarter
- Guidance in upcoming quarters on order inflow, revenue and margins
- Likely delays in large orders pushing execution and earnings

### Risks

- Faster-than-expected execution for large orders
- No deterioration in the working capital and balance sheet despite slow growth in tax collections

### Latest Full Report:

[Bharat Electronics: Stay sharp: Critical risks to watch](#)  
[Equity Strategy - India: Shifting gears](#)



# Faraday

**Mike Yang >>**

Merrill Lynch (Taiwan)

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## Exhibit 12: Faraday | Yang, Mike | BUY | PO: 305 TWD | Price: 219.5 TWD

A summary of stock data, description, drivers, estimates & valuation, financial statements

Stock Data		Key Estimates & Ratios (Dec)	2023A	2024A	2025E	2026E	2027E
Industry	Semiconductors	EPS (TWD)	6.39	4.18	8.30	11.88	14.87
BofA Ticker / Exchange	FDYTF / TAI	Dividend / Share (TWD)	5.00	3.00	6.00	9.00	11.00
Bloomberg / Reuters	3035 TT / 3035.TW	Free Cash Flow / Share (TWD)	11.90	7.60	2.25	7.18	15.44
Market Value (mn) / Shares Outstanding (mn)	1,722 USD / 261	P/E	34.32x	52.49x	26.46x	18.47x	14.76x
Free Float	81.85%	P/B	6.00x	4.19x	3.89x	3.53x	3.17x
Average Daily Volume 30 day (US\$m)	44.93	Dividend Yield	2.28%	1.37%	2.73%	4.10%	5.01%
% of Sell-Side rated 'BUY'	50%	EV / EBITDA*	21.53x	28.16x	15.46x	11.55x	9.27x
		Free Cash Flow Yield*	5.17%	3.31%	1.02%	3.27%	7.03%
		Return On Equity	17.53%	8.98%	15.25%	20.04%	22.65%
		Return On Capital Employed	15.06%	7.19%	13.19%	17.60%	20.21%
Company Description		Key Income Statement Data (Dec) (TWD Millions)	2023A	2024A	2025E	2026E	2027E
Faraday Technology Corp. was established in 1993 and listed in 1999. The company is an affiliate of the second biggest semiconductor logic foundry (UMC) in Taiwan, and has been the main provider to UMC's IP library. Faraday is also known for its total solution in ASIC (customized chips), which includes chip-design and turnkey mass production, on top of its IP offering. The company has a diversified end-market exposure, including internet of things, factory automation, solar, microcontrollers, etc.		Sales	11,966	11,065	25,381	28,781	35,068
		Gross Profit	5,307	5,051	6,936	8,566	10,209
		Sell General & Admin Expense	(989)	(1,062)	(1,142)	(1,383)	(1,578)
		Operating Profit	1,956	1,070	2,542	3,698	4,826
		Net Interest & Other income	115	272	102	102	102
		Pretax Income	2,070	1,342	2,644	3,800	4,928
		Tax (expense) / Benefit	(509)	(271)	(512)	(744)	(1,094)
		Net Income (Adjusted)	1,589	1,041	2,162	3,096	3,874
		Key Cash Flow Statement Data	2023A	2024A	2025E	2026E	2027E
		Net Income	1,589	1,041	2,162	3,096	3,874
		Depreciation & Amortization	502	808	881	881	881
		Change in Working Capital	1,493	172	(2,173)	(1,779)	(341)
		Cash Flow from Operations	3,007	2,046	839	2,158	4,374
		Capital Expenditure	(49)	(153)	(254)	(288)	(351)
		(Acquisition) / Disposal of Investments	(678)	(1,126)	0	0	0
		Cash Flow from Investing	(704)	(2,462)	(1,054)	(1,088)	(1,151)
		Cash Flow from Financing	(1,421)	2,395	(1,513)	(2,167)	(2,712)
		Free Cash Flow	2,958	1,893	586	1,871	4,023
		Net Debt	(5,475)	(7,386)	(5,659)	(4,562)	(5,073)
Key Drivers		Key Balance Sheet Data	2023A	2024A	2025E	2026E	2027E
We have a Buy rating on Faraday in view of its stable revenue/earnings growth over the long run, driven by the recovery of its mass production business (for mature nodes), longer product cycle and also growing traction in advanced node and advanced packaging business.		Property, Plant & Equipment	553	591	591	591	591
		Other Non-Current Assets	3,992	7,094	7,809	8,678	9,735
		Trade Receivables	1,559	1,210	2,524	4,089	4,165
		Cash & Equivalents	5,744	7,853	6,126	5,029	5,540
		Other Current Assets	1,570	2,304	4,958	7,517	8,263
		Total Assets	13,418	19,052	22,008	25,904	28,293
		Long-Term Debt	0	0	0	0	0
		Other Non-Current Liabilities	328	1,018	1,018	1,018	1,018
		Short-Term Debt	269	467	467	467	467
		Other Current Liabilities	2,966	3,546	5,457	7,920	8,517
		Total Liabilities	3,564	5,032	6,943	9,405	10,003
		Total Equity	9,855	14,021	15,065	16,498	18,291

Source: Company reports, BofA Global Research estimates. Note: \*For full definitions of iQmethodSM measures, see page 33.

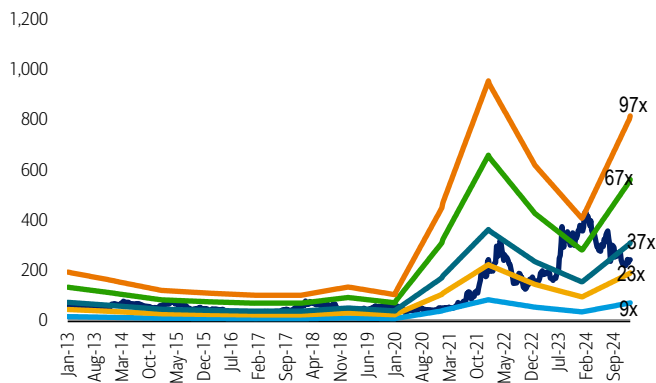
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**Exhibit 13: 12-month forward P/E**

Faraday is traded at ~25x forward P/E

(NT\$), weekly closing prices

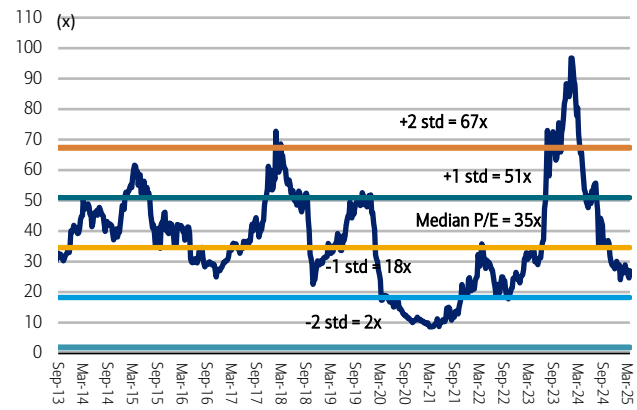


Source: BofA Global Research estimates, company data

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**Exhibit 14: 12-month forward P/E with standard deviation**

The multiple (25x) is at low/mid-end of the historic valuation range

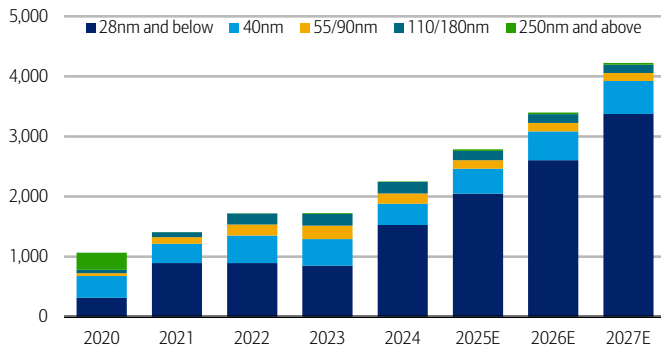


Source: BofA Global Research estimates, company data

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**Exhibit 15: NRE (non-recurring engineering) revenue by process node**

28nm and below is expected to be the key revenue driver for NRE

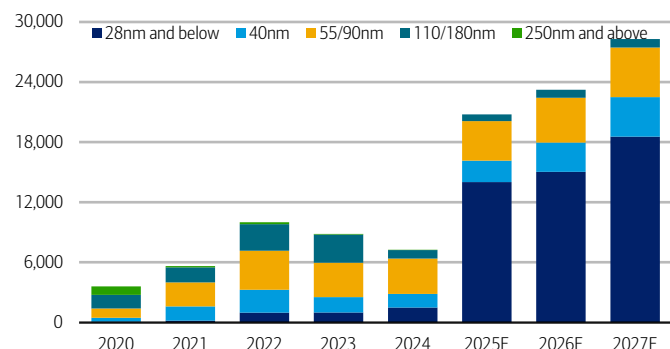


Source: BofA Global Research estimates, company data

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**Exhibit 16: Turnkey revenue by process node**

Turnkey revenue from 28nm and below is expected to grow significantly, partly due to the pull-in for HBM demand

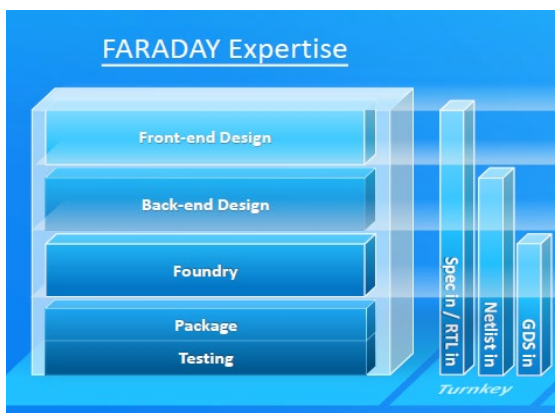


Source: BofA Global Research estimates, company data

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**Exhibit 17: Faraday has a broad expertise**

Faraday's capability includes (but is not limited to) front-end and back-end design

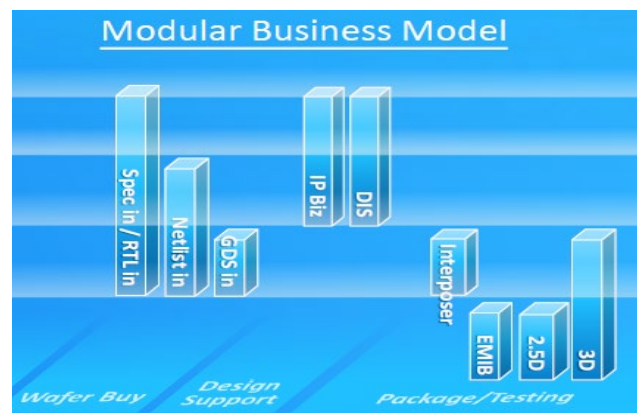


Source: Company data

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**Exhibit 18: Faraday offers great business model flexibility**

Being flexible helps the firm to better address different kinds of customers' demand



Source: Company data

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### Investment rationale

Faraday has been progressing technology advancement (in term of process node) over the past decade, and in our view such path will continue into the FinFET (Fin field effective transistor) process going down the road. Coupled with the foray into advanced packaging business, we expect meaningful pricing upside to be captured by the company's design service business. At the same time, its conventional business based on the mature 12"/8" process is expected to register a more significant recovery from 2H25.

Under the theme of AI (artificial intelligence) investment, we also think the set-up for Faraday becomes more favorable, since investors may seek other names relevant to AI while becoming more worried about those "high-end" AI names that are associated with advanced computing chips. Following the introduction of DeepSeek, which triggers the demand of low-cost AI solutions, Faraday is set to benefit from its flexibility to provide adjacent solutions to edge AI, low-end (inferencing) computing, and China-based demand as it works with non-TSMC foundries.

### Upside catalysts

- 1Q25 earnings call to be hosted at end-April, in which the company may provide better clarity on 2H25 business outlook, especially off from a higher comparison base in 1H25 boosted by the pull-in demand of HBM (high bandwidth memory) from China customers
- Update (upward revision) on the number of project wins in new businesses (including advance node and advanced packaging), which offers significant pricing/revenue upside to Faraday, and in turn driving meaningful operating leverage

### Risks

- Further downturn on foundry/wafer pricing, which could impact the company's revenue (and earnings) growth, given the cost-plus model for turnkey (mass production) business
- Demand reshuffle in the design service space especially, from China customers that may consider using local foundries, and Faraday is to be affected given closer collaboration with UMC, Samsung and Intel

### Latest Full Report:

[Faraday: On track to increase traction to AP/FinFET; conventional turnkey likely to recover: Buy 21 February 2025](#)

# Hyundai Motor

KJ Hwang >>

Merrill Lynch (Seoul)

kj.hwang@bofa.com

## Exhibit 19: Hyundai Motor | Hwang,KJ | BUY | PO: 324000 KRW | Price: 198600 KRW

A summary of stock data, description, drivers, estimates & valuation, financial statements

Stock Data	
Industry	Autos/Car Manufacturers
BofA Ticker / Exchange	HYMLF/ KSC
Bloomberg / Reuters	005380 KS / 005380.KS
Market Value (mn) / Shares Outstanding (mn)	28,245 USD / 209
Free Float	58.42%
Average Daily Volume 30 day (US\$m)	99.98
% of Sell-Side rated 'BUY'	100%

### Company Description

Hyundai Motor Company is a leading automotive manufacturer in Korea, and with its 34%-owned Kia, is the fourth-largest auto manufacturer in the world. While one-third of its revenue is generated in Korea, it has a global sales network and exposure, and multiple manufacturing plants around the globe, including Korea, the US, Mexico, India, Brazil, Türkiye, the Czech Republic, and China. The company also provides financial services in Korea and in the US through its financial subsidiaries.

### Key Drivers

We see pricing power in developed markets (DM) as a key EPS swing factor against inflation, given the higher ATP (average transaction price) profile and faster penetration of premium cars in DM vs. emerging markets (EM). We expect HMC's pricing power – so far led by E-SUV/Genesis ICE models – to expand to premium EVs.

Key Estimates & Ratios (Dec)	2022A	2023A	2024E	2025E	2026E
EPS (KRW)	30,890.27	46,055.26	49,254.01	53,287.69	56,012.54
Dividend / Share (KRW)	7,000.00	11,400.00	12,000.00	13,000.00	14,000.00
Free Cash Flow / Share (KRW)	18,429.57	(42,668.90)	9,801.94	20,665.47	28,429.82
P/E	6.43x	4.31x	4.03x	3.73x	3.55x
P/B	0.51x	0.45x	0.41x	0.38x	0.34x
Dividend Yield	3.52%	5.74%	6.04%	6.55%	7.05%
EV / EBITDA*	12.90x	9.56x	10.36x	8.94x	8.56x
Free Cash Flow Yield*	11.77%	-27.34%	6.33%	13.35%	18.36%
Return On Equity	10.47%	14.09%	13.73%	13.58%	12.99%
Return On Capital Employed	3.62%	4.87%	4.27%	4.28%	4.24%
Key Income Statement Data (Dec) (KRW Millions)	2022A	2023A	2024E	2025E	2026E
Sales	142,151,469	162,663,579	175,231,153	186,513,329	196,145,147
Gross Profit	28,271,900	33,484,396	35,749,652	39,091,720	40,950,019
Sell General & Admin Expense	(18,446,972)	(18,357,495)	(21,509,553)	(23,205,750)	(24,288,565)
Operating Profit	9,824,928	15,126,901	14,240,099	15,885,970	16,661,454
Net Interest & Other income	(201,087)	20,828	120,142	248,001	401,170
Pretax Income	11,181,471	17,618,662	17,455,328	19,237,656	20,221,369
Tax (expense) / Benefit	(2,979,168)	(5,346,361)	(4,551,528)	(4,924,278)	(5,176,080)
Net Income (Adjusted)	8,202,303	12,272,301	13,229,908	14,313,379	15,045,290
Key Cash Flow Statement Data	2022A	2023A	2024E	2025E	2026E
Net Income	7,583,053	11,961,717	12,200,583	13,552,571	14,245,579
Depreciation & Amortization	5,047,622	4,946,495	4,286,000	5,575,757	5,757,019
Change in Working Capital	(13,922,657)	(30,365,064)	(17,041,370)	(15,681,406)	(14,437,945)
Cash Flow from Operations	10,627,311	(2,518,760)	11,032,857	14,750,864	16,836,414
Capital Expenditure	(5,733,702)	(8,851,181)	(8,400,000)	(9,200,000)	(9,200,000)
(Acquisition) / Disposal of Investments	(1,677,151)	(1,503,312)	(1,503,312)	(1,503,312)	(1,503,312)
Cash Flow from Investing	(1,203,495)	(8,649,391)	(10,672,876)	(11,473,642)	(11,474,415)
Cash Flow from Financing	(1,324,499)	9,393,371	(829,164)	(1,065,615)	(1,301,269)
Free Cash Flow	4,893,609	(11,369,941)	2,632,857	5,550,864	7,636,414
Net Debt	79,503,430	94,808,562	97,540,412	97,632,821	95,918,056
Key Balance Sheet Data	2022A	2023A	2024E	2025E	2026E
Property, Plant & Equipment	36,153,190	38,920,900	42,020,257	45,478,344	48,652,867
Other Non-Current Assets	161,237,367	184,938,422	222,019,562	231,367,225	241,562,879
Trade Receivables	9,198,667	8,781,652	12,516,511	14,347,179	15,088,088
Cash & Equivalents	32,682,390	29,939,397	29,702,506	32,154,956	36,465,476
Other Current Assets	16,470,848	19,882,984	20,073,912	21,357,396	22,459,249
Total Assets	255,742,462	282,463,355	326,332,748	344,705,100	364,228,559
Long-Term Debt	75,245,209	90,603,253	92,415,318	94,263,624	96,148,897
Other Non-Current Liabilities	15,364,236	16,688,559	48,356,193	51,387,975	54,143,321
Short-Term Debt	36,940,611	34,144,706	34,827,600	35,524,152	36,234,635
Other Current Liabilities	37,295,861	39,217,397	39,829,927	42,149,699	44,351,609
Total Liabilities	164,845,917	180,653,915	215,429,039	223,325,451	230,878,462
Total Equity	90,896,545	101,809,440	110,903,709	121,379,648	133,350,096

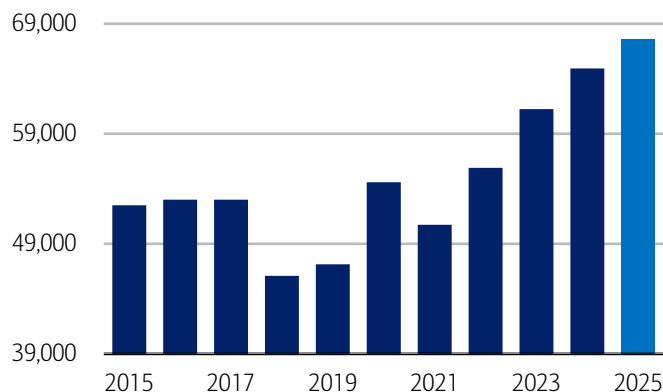
Source: Company reports, BofA Global Research estimates. Note: \*For full definitions of iQmethodSM measures, see page 33.

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**Exhibit 20: Hyundai Motor – February US retail sales units**

Hyundai Motor posted record-breaking February sales in the US

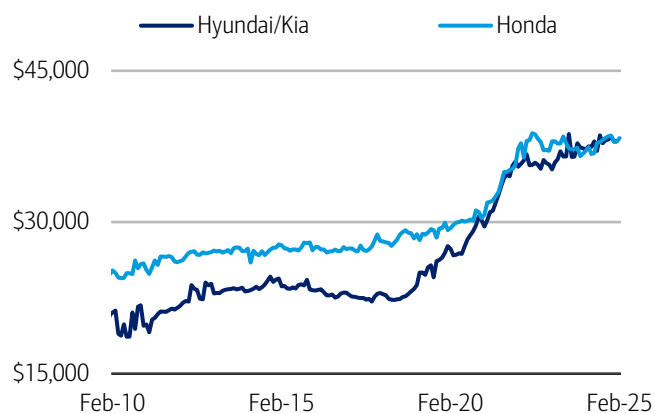


Source: Kelley Blue Book, BofA Global Research

BoFA GLOBAL RESEARCH

**Exhibit 22: Hyundai/Kia – ATP trend vs. Honda**

Hyundai/Kia's US ATP recently surpassed Honda's ATP

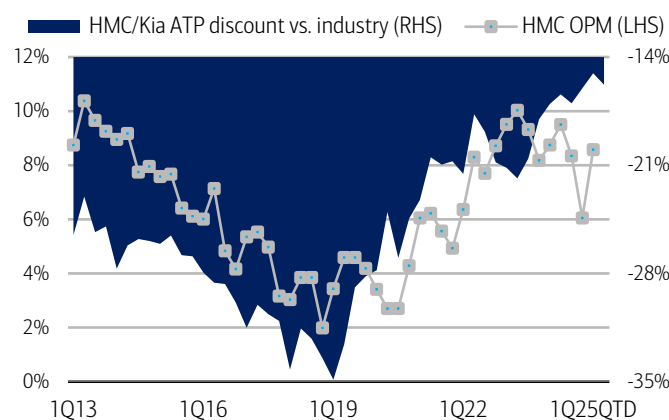


Source: Kelley Blue Book, BofA Global Research

BoFA GLOBAL RESEARCH

**Exhibit 24: Hyundai/Kia – ATP discount to industry vs. HMC OPM**

US ATP discount to industry average narrowed to -16%



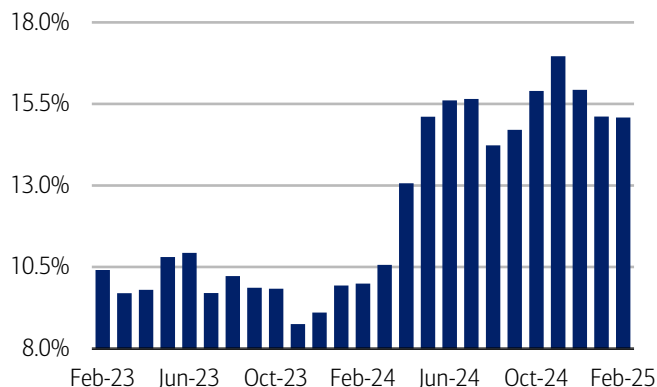
Source: Kelley Blue Book, Company data, BofA Global Research

\*\* 1Q25 OP margin is BofA forecast

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**Exhibit 21: Hyundai Motor – Hybrid EV penetration rate in US**

Hyundai's HEV US sales portion edged up to 15.1% as of Feb'25

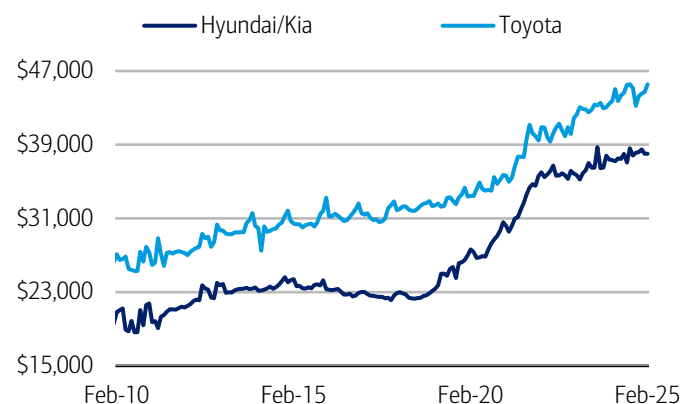


Source: Motor Intelligence, BofA Global Research

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**Exhibit 23: Hyundai/Kia – ATP trend vs. Toyota**

Hyundai/Kia's US ATP gap versus Toyota narrowing

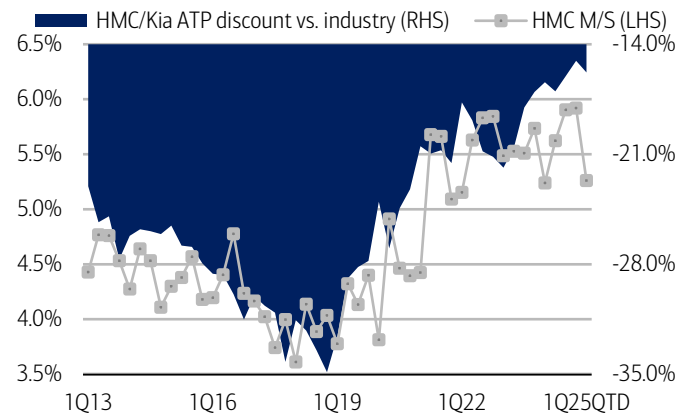


Source: Kelley Blue Book, BofA Global Research

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**Exhibit 25: Hyundai/Kia – ATP discount to industry vs. HMC M/S in US**

US ATP discount to industry average narrowed to -16%



Source: Kelley Blue Book, Motor Intelligence, BofA Global Research

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## Investment rationale

On top of a new capacity upcycle recommencing in the US and India markets, Hyundai looks well-positioned to benefit from digitization and the de-premiumization trend in automotive industry, which in our view should lead to a positive earnings revision cycle ahead. Hyundai Motor's strong fundamental catalyst path should be backed by: (1) new refreshment of flagship Palisade E-SUV including hybrid EV versions (US full-model-change scheduled in 2Q25); (2) segment expansion prompted by new hybrid version launches for Hyundai's premium brand in Korea/US (Genesis); (3) blended ASP (average selling price) upside arising from expanding into mid-size pickup trucks in the US (via potential partnership with GM); and (4) debut of new smart cars (software-defined vehicles with advanced autonomous driving features such as FSD (full self-driving)).

## Upside catalysts

- New capacity expansion in US/India (550k-750k units)
- KRWUSD depreciation to boost export margin and offset tariff headwinds
- New hybrid EV / mid-size pickup launches that should buoy blended ASP growth
- Enhanced brand position in EV segment raises visibility of its successful debut of connected cars from 4Q25 (e.g., software-defined vehicles with advanced autonomous driving features such as FSD)
- Unabated retail sales growth in the US market, which should be additionally boosted by online sales alliance with Amazon

## Risks

- Tariff imposed by US administration
- Raw material and labor cost hikes
- Fierce price competition in battery electric vehicle segment
- Lower consumer confidence effect on buyers' car purchase activities

## Latest Full Report:

[Hyundai Motor - US capex reaffirmed: tariff concerns likely to abate \(24-Mar-2025\)](#)

[Hyundai Motor - At the top of US EV conquest rate \(03-Mar-2025\)](#)

[Autos - Korea - US ATP expansion ahead \(17-Feb-2025\)](#)



# Kumho Petrochemical

Joon-Ho Lee >>  
Merrill Lynch (Seoul)  
joonho.lee@bofa.com

## Exhibit 26: Kumho Petrochemical | Lee,Joon-Ho | BUY | PO: 160000 KRW | Price: 120100 KRW

A summary of stock data, description, drivers, estimates & valuation, financial statements

Stock Data	
Industry	Chemicals-Major
BofA Ticker / Exchange	KKMHF/ KSC
Bloomberg / Reuters	011780 KS / 011780.KS
Market Value (mn) / Shares Outstanding (mn)	2,229 USD / 27
Free Float	43.80%
Average Daily Volume 30 day (US\$m)	16.57
% of Sell-Side rated 'BUY'	95%

### Company Description

Established in 1970, KKPC is the largest synthetic rubber manufacturer worldwide. Its main business domains are (1) synthetic rubbers (SBR: styrene butadiene rubber and NB latex); (2) synthetic resins (ABS: acrylonitrile butadiene styrene, EP: engineering plastics and EPS: expandable polystyrene); (3) phenol derivatives (phenol, BPA and epoxy resins via Kumho P&B); (4) utilities and others (cogeneration plants for electricity and steam, specialty chem and electronic materials: Photoresist).

### Key Drivers

Our Buy rating on Kumho Petrochemical (KKPC) is based on: (1) a steady uptick in Synthetic Rubber (SBR) margin after bottoming out in 2024 due to a recovery in RE (replacement) tire; (2) potential upside to its shareholder-return policy on the back of strong free cash flow (current net cash position); and (3) attractive valuation – the stock now trades at a significant discount vs industry average on a P/B basis.

Key Estimates & Ratios (Dec)	2023A	2024A	2025E	2026E	2027E
EPS (KRW)	15,651.54	12,673.78	14,871.12	17,978.96	20,543.32
Dividend / Share (KRW)	2,900.00	2,700.00	3,200.00	3,900.00	4,400.00
Free Cash Flow / Share (KRW)	1,432.17	7,465.15	12,760.22	7,968.63	7,415.41
P/E	7.67x	9.48x	8.08x	6.68x	5.85x
P/B	0.56x	0.54x	0.51x	0.49x	0.46x
Dividend Yield	2.41%	2.25%	2.66%	3.25%	3.66%
EV / EBITDA*	5.07x	5.55x	4.42x	4.02x	3.70x
Free Cash Flow Yield*	1.25%	6.25%	10.62%	6.64%	6.17%
Return On Equity	7.79%	5.86%	6.52%	7.48%	8.04%
Return On Capital Employed	4.26%	3.71%	4.79%	5.41%	5.73%

Key Income Statement Data (Dec) (KRW Millions)	2023A	2024A	2025E	2026E	2027E
Sales	6,322,528	7,154,972	7,286,426	7,300,002	7,342,863
Gross Profit	645,866	577,250	887,466	952,010	1,018,086
Sell General & Admin Expense	(278,167)	(304,418)	(476,716)	(471,766)	(473,973)
Operating Profit	358,962	272,833	410,749	480,244	544,113
Net Interest & Other income	14,989	41,407	(30,231)	(11,974)	(29,419)
Pretax Income	485,083	407,835	508,173	614,364	701,985
Tax (expense) / Benefit	(131,402)	(59,168)	(101,635)	(122,873)	(140,397)
Net Income (Adjusted)	446,820	348,580	406,502	491,455	561,552

Key Cash Flow Statement Data	2023A	2024A	2025E	2026E	2027E
Net Income	353,458	348,580	406,502	491,455	561,552
Depreciation & Amortization	251,239	284,320	289,543	290,082	291,785
Change in Working Capital	164,472	153,105	295,545	85,508	(3,013)
Cash Flow from Operations	630,704	855,322	998,801	867,822	852,700
Capital Expenditure	(589,818)	(650,000)	(650,000)	(650,000)	(650,000)
(Acquisition) / Disposal of Investments	47,031	414,294	(2,308)	(238)	(753)
Cash Flow from Investing	(591,980)	(130,851)	(676,627)	(652,306)	(658,953)
Cash Flow from Financing	(153,285)	(327,210)	(86,183)	(71,777)	(79,958)
Free Cash Flow	40,886	205,322	348,801	217,822	202,700
Net Debt	432,087	(300,243)	(509,934)	(619,034)	(693,104)

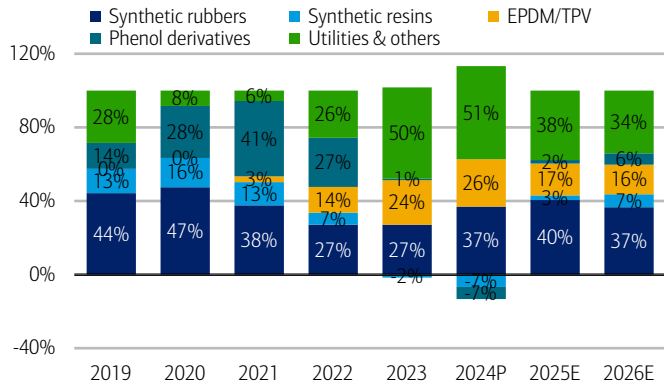
Key Balance Sheet Data	2023A	2024A	2025E	2026E	2027E
Property, Plant & Equipment	3,964,987	4,338,217	4,706,226	5,073,694	5,439,460
Other Non-Current Assets	1,443,300	1,330,894	1,347,662	1,342,178	1,342,828
Trade Receivables	742,703	725,299	578,921	580,000	583,406
Cash & Equivalents	452,439	850,001	1,085,992	1,229,732	1,343,521
Other Current Assets	1,376,265	847,103	744,612	740,662	739,506
Total Assets	7,979,695	8,091,514	8,463,414	8,966,266	9,448,720
Long-Term Debt	357,488	408,358	408,358	408,358	408,358
Other Non-Current Liabilities	258,254	302,249	307,802	308,375	310,186
Short-Term Debt	527,038	141,401	167,701	202,340	242,058
Other Current Liabilities	1,002,895	1,130,780	1,178,604	1,261,359	1,260,970
Total Liabilities	2,145,675	1,982,787	2,062,465	2,180,432	2,221,572
Total Equity	5,834,020	6,108,425	6,400,648	6,785,533	7,226,847

Source: Company reports, BofA Global Research estimates. Note: \*For full definitions of iQmethodSM measures, see page 33.

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**Exhibit 27: KKPC – annual EBIT breakdown**

Synthetic rubber/resin to take up 43% of 2025E earnings

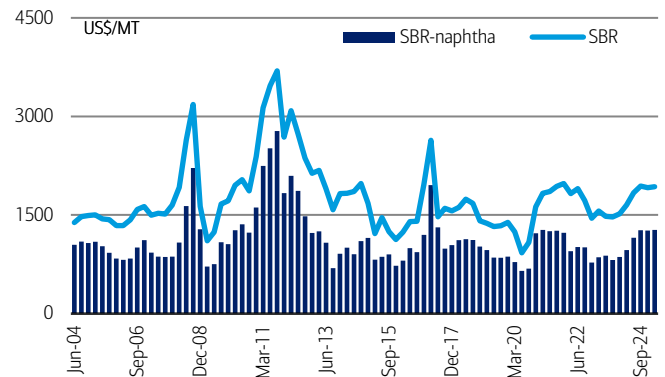


Source: Company data, BofA Global Research estimates

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**Exhibit 28: SBR prices and spreads**

QTD SBR spreads steadily improve

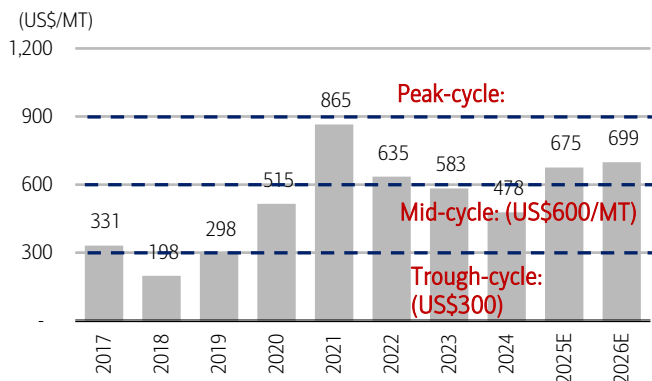


Source: Oilchem, Platts, BofA Global Research

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**Exhibit 29: Historical SBR margin and our forecasts in 2024/25**

We project SBR margin will rise to US\$675/MT in 2025E from US\$478/MT in 2024

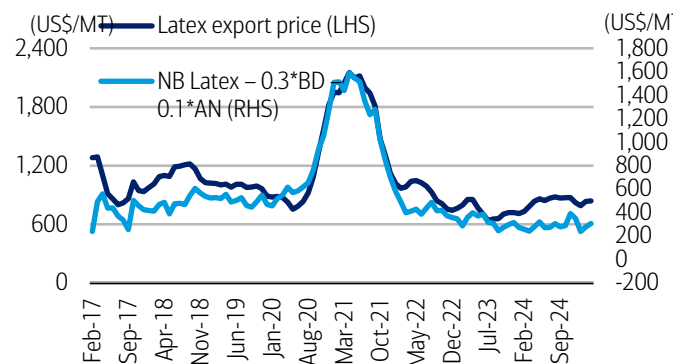


Source: Platts, BofA Global Research estimates

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**Exhibit 30: NB Latex spreads trends from 2017 to present**

NB Latex spreads are expected to improve in 2025E

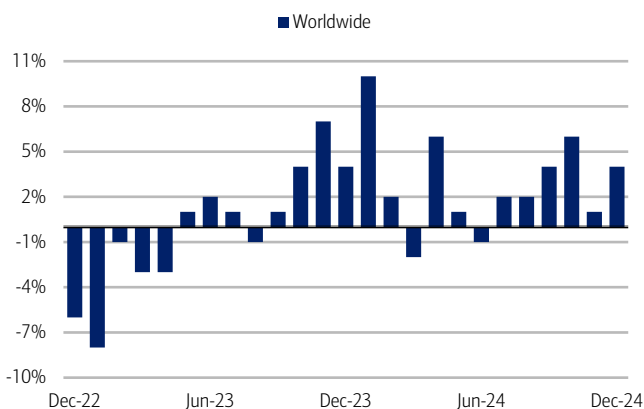


Source: KITA, BofA Global Research

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**Exhibit 31: RE tire YoY growth – Worldwide**

Global RE tire printed +4% YoY growth in Dec'24

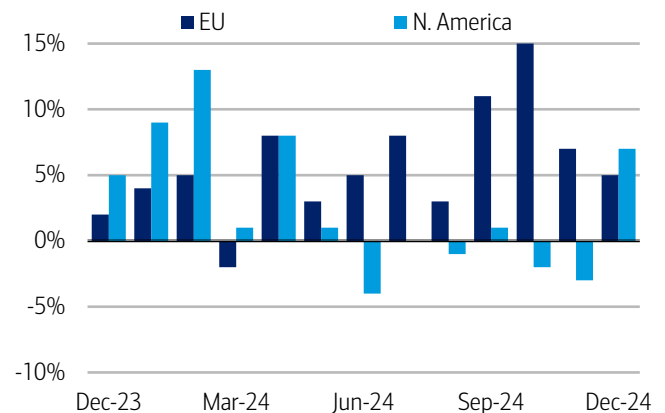


Source: Michelin, BofA Global Research

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**Exhibit 32: RE tire YoY growth – EU and North America**

North America/EU printed +7%/+5% YoY growth in Dec'24



Source: Michelin, BofA Global Research

BofA GLOBAL RESEARCH



**Investment rationale**

We reiterate Buy on Kumho Petrochemical (KKPC) with a PO of W160,000. Our Buy rating is mainly based on (1) KKPC's greater operating leverage to synthetic rubber (SBR) margin strength on solid RE (replacement) tire demand; (2) likely upside to shareholder returns given strong FCF (now in a net-cash position); and (3) an attractive valuation – the stock trades at 0.5x 2025E P/B vs 7% ROE, at a 34% discount to the industry average.

**Upside catalysts**

- Strong 1Q (reporting date: tentatively early May) – our 1Q EBIT estimate of W87bn (vs W10bn in 4Q) likely beating the consensus by 12%.
- Sequential strong earnings (2Q/3Q EBIT growing by 22%/7% QoQ and beating the consensus by 12%/5%); reporting dates tentatively in early Aug and Nov.
- Further tariff-hike by the US government on disposable/medical gloves from China (tentatively Jan 2026).

**Risks**

- A sharp decline in synthetic and natural rubber prices
- Higher-than-expected butadiene price (feedstock) volatility
- Weaker-than-expected demand for ABS and faster-than-expected BPA supply risks

**Latest Full Report:**

[Kumho Petrochemical: 1Q likely beat, improving SBR margin; rising glove utilization, reiterate Buy](#)

[BofA Asian Synthetic Rubber Indicator: Solid revenue growth expected in 1H25; remain positive on 2025 rubber outlook](#)

[Refining & Chemicals - Asia Pacific: Favor synthetic rubber, caustic soda but remain cautious on MEG](#)



# NIB Holdings

**Freya Kong >>**

Merrill Lynch (Australia)

freya.kong@bofa.com

## Exhibit 33: NIB Holdings | Kong, Freya | BUY | PO: 8.10 AUD | Price: 6.86 AUD

A summary of stock data, description, drivers, estimates & valuation, financial statements

<b>Profit &amp; Loss Summary (Jun) (A\$ Millions)</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Premium Revenue Earned	2,909	3,180	3,457	3,744	3,987
Member Benefits	-2,315	-2,472	-2,748	-2,981	-3,177
Net Claims Incurred	-2,315	-2,472	-2,748	-2,981	-3,177
Commission Costs	-168	-190	-207	-220	-231
Other Underwriting Costs	-273	-262	-277	-294	-308
Underwriting Result	153	256	225	248	272
Investment Income (less inv expenses)	55	62	78	67	65
Other Net Revenue	-28	-35	-22	4	9
Interest Expense incl Pref Div	-14	-17	-18	-16	-16
Profit Pre Tax	167	266	263	303	331
Tax & OEI	-52	-79	-78	-91	-99
Adjusted Net Profit After Tax	114	186	185	212	231
Premium Revenue Growth	7.60%	9.30%	8.70%	8.30%	6.50%
Net Claims Ratio	79.60%	77.70%	79.50%	79.60%	79.70%
Acquisition cost ratio	5.80%	6.00%	6.00%	5.90%	5.80%
Underwriting expense ratio	9.40%	8.20%	8.00%	7.90%	7.70%
Gross Margin	20.40%	22.30%	20.50%	20.40%	20.30%
Net Margin	5.30%	8.10%	6.50%	6.60%	6.80%
<b>Reserve &amp; Capital Analysis</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Net Outstanding Claims Reserves	575	597	649	703	749
Insurance Technical Reserves	575	597	649	703	749
<b>Balance Sheet</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Investment Assets	1,320	1,366	1,376	1,490	1,587
Insurance Receivables	575	597	649	703	749
Intangibles	470	541	566	566	566
Other Assets	-352	-390	-426	-464	-497
Total Assets	2,013	2,115	2,165	2,295	2,405
Outstanding Claims Reserves	575	597	649	703	749
Corporate Debt	246	265	265	265	265
Other Liabilities	195	209	147	138	115
Total Liabilities	1,016	1,071	1,061	1,106	1,128
Outside Equity Interests	17	15	13	13	13
Shareholder Equity	980	1,029	1,091	1,176	1,264

**Source:** Company reports, BofA Global Research estimates. Note: \*For full definitions of iQmethodSM measures, see page 33

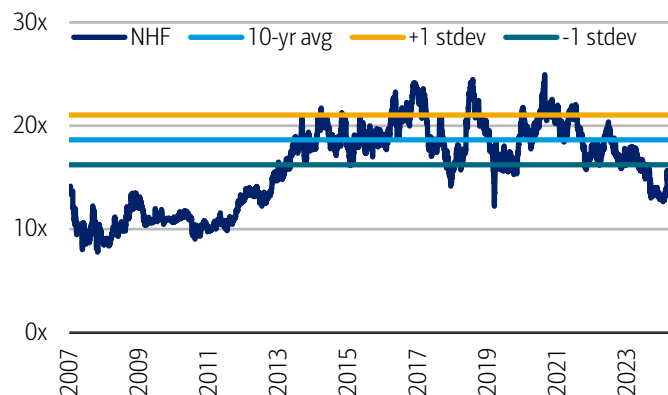
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**Exhibit 34: Despite a recent rebound, NHF is still trading more than one standard deviation below its long-run average**

Relative 1Y forward P/E (Bloomberg): NHF

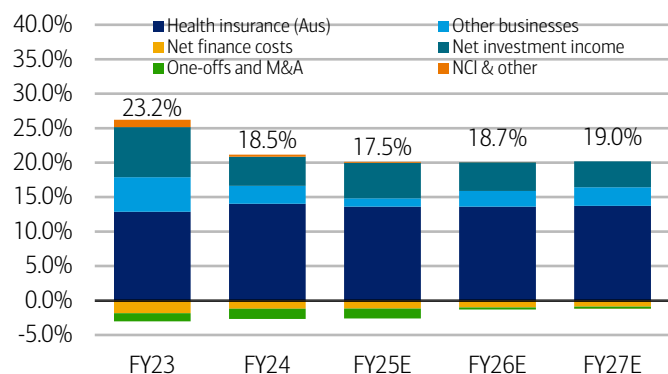


Source: Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 36: NHF is on track to deliver c. 19% ROEs over FY26-27E, driven primarily by high quality Australian health insurance**

NHF's ROE outlook, FY23-27E

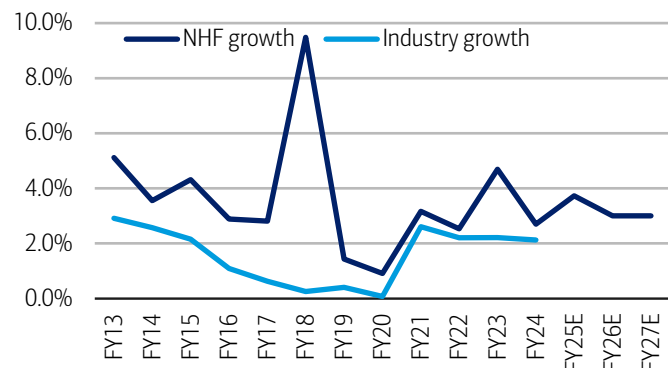


Source: Company information, BofA Global Research estimates

BofA GLOBAL RESEARCH

**Exhibit 38: NHF has a strong track record of above-system growth**

Insured persons growth for NHF's ARHI business vs industry, FY13-27E



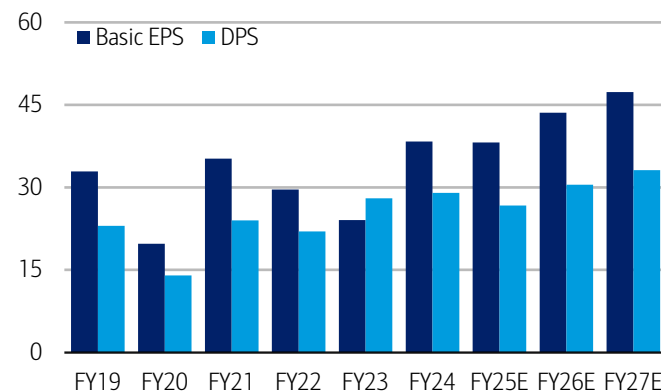
Source: Company information, APRA, BofA Global Research estimates

Note: FY18 underlying growth of 3.0% vs 9.5% headline (GU Health acquisition)

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**Exhibit 35: FY25 will be a transition year for NHF; beyond this we see EPS/DPS CAGR of 11% over FY25-27E**

NHF's EPS and DPS history and outlook (A\$), FY19-FY27E

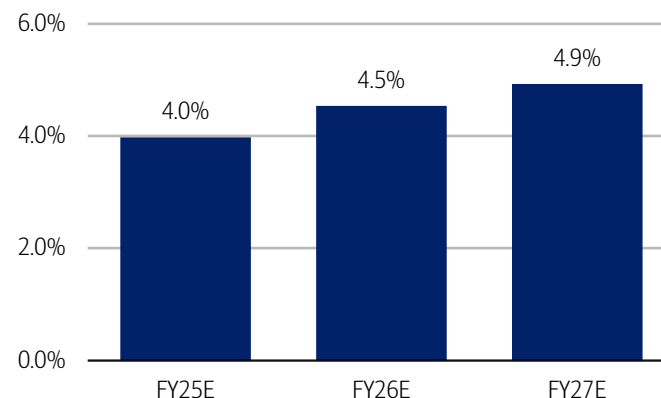


Source: BofA Global Research estimates, Company reports

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**Exhibit 37: We see reasonably attractive dividend yields of 4-5%**

NHF dividend yield outlook, FY25-27E

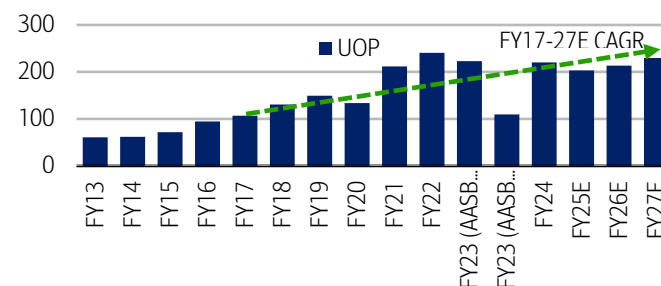


Source: BofA Global Research estimates, Company reports

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**Exhibit 39: After years of COVID related disruption, we see a resumption towards long-term growth trends for NHF's core ARHI business (FY17-27E CAGR of 7.9%)**

NHF ARHI underlying operating profit (UOP) outlook (A\$m), FY13-27E



Source: Company information, BofA Global Research estimates

Note: Significant difference between FY23 AASB 1023 and AASB 17 results due to movement in the deferred claims liability reserve (COVID savings); ARHI = Australian residents' health insurance

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**Investment rationale**

We have a Buy rating on NHF. We believe multi-year de-rating has been overdone and no longer reflects NHF's attractive position in the structurally growing private health insurance market. We see attractive EPS/DPS growth, with further re-rating supported by above-industry growth at attractive margins in Australian health insurance. We see scope for NHF to recover part of its historical premium valuation vs the wider market given a return to its defensive and steadily growing earnings profile.

**Upside catalysts**

- Stronger-than-expected system growth, supporting NHF's above-industry growth and market share gains. Industry data available in May 2025
- Better-than-expected improvements in NHF's expense ratio, supporting NHF's net profitability.

**Risks**

- Higher-than-expected claims inflation, which would increase pressure on NHF's gross margins.
- Regulatory intervention that would disrupt NHF's current business model.

**Latest Full Reports:**

[NIB Holdings Ltd: Don't throw the baby out with the bathwater – resume coverage at Buy \(28 Mar 25\)](#)

[Australian Insurance - Health: Defensive appeal returns – reinstate on Australian health insurers \(28 Mar 25\)](#)



# Nitori

Arashi Nishizawa >>

BofAS Japan

arashi.nishizawa@bofa.com

## Exhibit 40: Nitori Holdings | Nishizawa,Arashi | BUY | PO: 20000 JPY | Price: 14345 JPY

A summary of stock data, description, drivers, estimates & valuation, financial statements

Stock Data	
Industry	Retailing-Specialty
BofA Ticker / Exchange	NCLTF/ TYO
Bloomberg / Reuters	9843 JP / 9843.T
Market Value (mn) / Shares Outstanding (mn)	10,978 USD / 114
Free Float	71.13%
Average Daily Volume 30 day (US\$m)	74.80
% of Sell-Side rated 'BUY'	33%

### Company Description

Nitori offers home fashion (HFa) and furniture products in Japan and overseas. It is a manufacturer, distributor, and retailer, handling everything from product planning and raw material procurement to manufacturing, distribution, and sales in an integrated manner. It has set long-term targets of 3,000 stores and ¥3tn in sales by 2032, and is focusing on expanding its global operations and business scope.

### Key Drivers

We assign a Buy rating to Nitori. We think its ability to continue to gain market share in connection with its competitive edge in Japan is reassuring. We also like that it is expanding its core products to home appliances and sowing seeds for the future including overseas business. Our medium-term focus is on whether Nitori's presence rises in the home center industry, which could become more concentrated.

Key Estimates & Ratios (Feb)	2023A	2024A	2025E	2026E	2027E
EPS (JPY)	841.89	765.61	778.68	812.30	849.47
Dividend / Share (JPY)	147.00	147.00	152.00	160.00	168.00
P/E	17.04x	18.74x	18.42x	17.66x	16.89x
P/B	1.98x	1.81x	1.68x	1.56x	1.45x
Dividend Yield	1.02%	1.02%	1.06%	1.12%	1.17%
EV / EBITDA*	9.91x	10.43x	10.63x	10.20x	9.74x
Free Cash Flow Yield*	-1.58%	0.70%	-1.24%	-0.79%	-0.46%
Return On Equity	12.27%	10.09%	9.45%	9.14%	8.89%
Return On Capital Employed	11.36%	10.01%	8.75%	8.40%	8.23%
Key Income Statement Data (Feb) (JPY Millions)	2023A	2024A	2025E	2026E	2027E
Sales	948,094	895,799	936,000	963,500	994,500
Gross Profit	478,106	455,949	474,911	502,230	528,425
Sell General & Admin Expense	(338,030)	(328,224)	(351,111)	(374,730)	(394,925)
Operating Profit	140,076	127,725	123,800	127,500	133,500
Net Interest & Other income	526	1,323	1,250	1,250	1,250
Pretax Income	143,996	132,377	129,800	133,500	139,500
Tax (expense) / Benefit	(43,695)	(37,381)	(37,900)	(39,800)	(41,600)
Net Income (Adjusted)	95,129	86,523	88,000	91,800	96,000
Key Cash Flow Statement Data	2023A	2024A	2025E	2026E	2027E
Net Income	100,301	94,996	91,900	93,700	97,900
Depreciation & Amortization	33,727	39,900	34,711	35,711	37,711
Change in Working Capital	(73,039)	(2,274)	(3,219)	(2,400)	(3,300)
Cash Flow from Operations	91,398	143,593	119,692	127,111	132,411
Capital Expenditure	(117,300)	(132,146)	(140,000)	(140,000)	(140,000)
(Acquisition) / Disposal of Investments	NA	NA	NA	NA	NA
Cash Flow from Investing	(132,538)	(131,824)	(140,000)	(140,000)	(140,000)
Cash Flow from Financing	36,903	(20,606)	(16,457)	(17,600)	(18,500)
Free Cash Flow	(25,902)	11,447	(20,308)	(12,889)	(7,589)
Net Debt	8,470	(386)	36,800	67,300	93,400
Key Balance Sheet Data	2023A	2024A	2025E	2026E	2027E
Property, Plant & Equipment	649,479	736,897	842,200	946,500	1,048,800
Other Non-Current Assets	153,938	154,045	154,000	151,500	149,000
Trade Receivables	57,408	79,247	82,100	84,500	87,200
Cash & Equivalents	131,928	137,943	101,200	70,700	44,600
Other Current Assets	141,017	130,546	133,200	133,200	134,400
Total Assets	1,133,770	1,238,678	1,312,700	1,386,400	1,464,000
Long-Term Debt	57,330	30,000	30,000	30,000	30,000
Other Non-Current Liabilities	36,575	36,033	36,000	36,000	36,000
Short-Term Debt	83,068	107,557	108,000	108,000	108,000
Other Current Liabilities	138,701	168,779	171,600	171,600	172,200
Total Liabilities	315,674	342,369	345,600	345,600	346,200
Total Equity	818,096	896,304	967,100	1,040,800	1,117,800

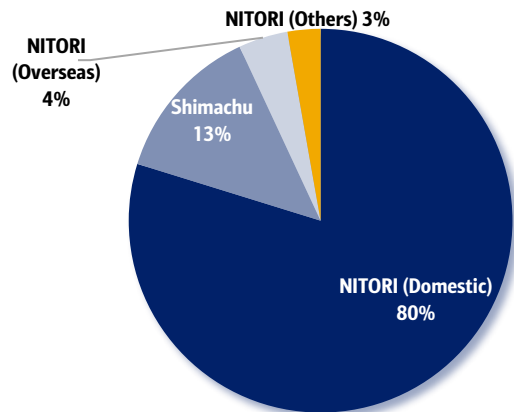
Source: Company reports, BofA Global Research estimates. Note: \*For full definitions of iQmethodSM measures, see page 33.

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**Exhibit 41: Sales breakdown by business**

Nitori mainly operates in Japan

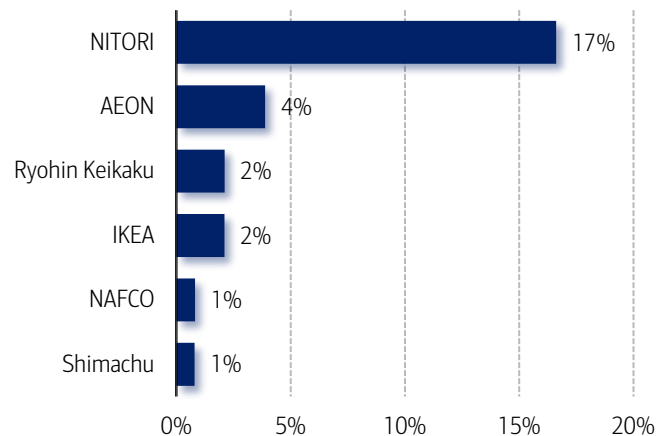


Source: BofA Global Research, company report

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**Exhibit 42: HFa/furniture share by domestic company**

Nitori is a dominant factor in the Japanese market

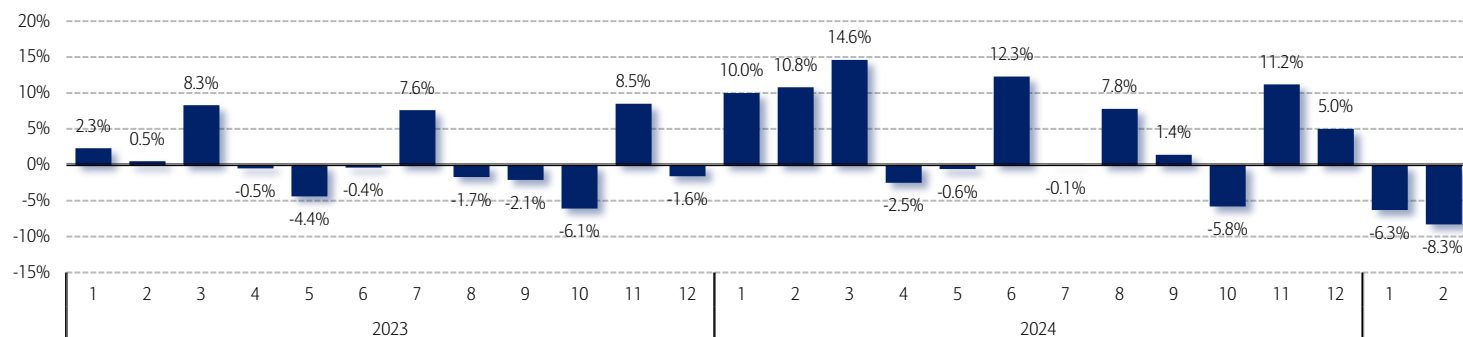


Source: BofA Global Research, company report

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**Exhibit 43: The trend of Nitori's SSSG**

The hurdle of SSSG was high for January to March due to campaign. Last year hurdle becomes easier from April.

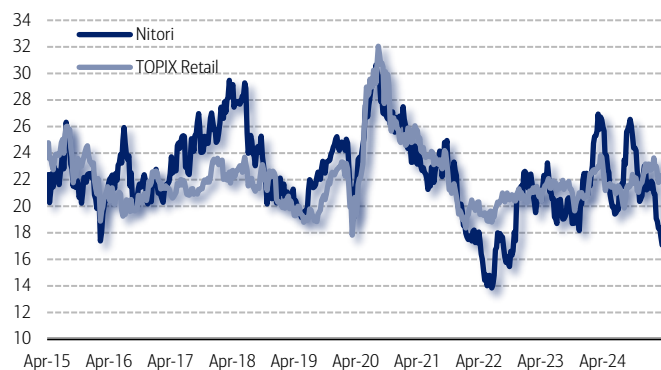


Source: BofA Global Research, company report

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**Exhibit 44: Nitori's and TOPIX Retail Index's 12-month forward P/E**

Nitori's 12-month forward P/E is trending below retail average



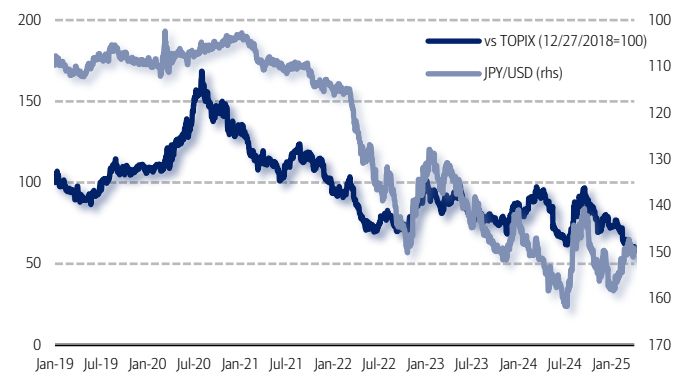
Note: As of 31 March, 2025

Source: BofA Global Research, Bloomberg

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**Exhibit 45: Share-price performance vs TOPIX and JPY/USD rates**

Yen strengthening is positive for the stock



Note: As of 31 March, 2025

Source: BofA Global Research, Bloomberg

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### Investment rationale

Nitori remains well positioned in the home fashion and furniture market in Japan, due to the company being a manufacturer, distributor, and retailer, handling everything from product planning and raw material procurement to manufacturing, distribution, and sales in an integrated manner. We think its ability to continue to gain market share in connection with its competitive edge in Japan is reassuring. We also like that it is expanding its core products including to home appliances, and sowing seeds for the future including overseas business. Our medium-term focus is on whether Nitori's presence rises in the home center industry, which could become more concentrated to top players.

### Upside catalysts

- Monthly sales hardest comp is March data (announcing on April 2<sup>nd</sup>), as they held a large campaign in the previous year until March 31<sup>st</sup>. From April onward, we should see normalized monthly sales growth.
- The FY result in middle of May should give reassurance, as they will likely give FY2/26 guidance of first half single-digit OP growth. They will also likely explain how their gross profit margin will improve from product refreshment.
- USD/JPY for 1Q FY3/25 was 157.05. If the yen remains at the current range, there will be close to 10 USD/JPY worth of yen strengthening benefit in 1Q FY3/26.

### Risks

- Yen depreciation affecting the share price/gross profit margin
- Increase in upfront investments such as store openings over the short term to gain market share over the medium to long term
- Wider-than-expected overseas business losses.

### Latest Full Report:

[Nitori Holdings \(9843\): February: Same-store sales fall 8.3%, but impact of high YoY base evident 04 March 2025](#)

[Nitori Holdings \(9843\): 3Q FY3/25 results: Negative, gross margin did not improve 12 February 2025](#)

[Nitori Holdings \(9843\): President-sellside meeting: FX a headwind but taking steps, such as cost cuts 25 December 2024](#)



# Obayashi

**Takumi Kasai >>**

BofAS Japan

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## Exhibit 46: Obayashi Corporation | Kasai, Takumi | BUY | PO: 2700 JPY | Price: 1977 JPY

A summary of stock data, description, drivers, estimates & valuation, financial statements

Stock Data	
Industry	Building Construction
BofA Ticker / Exchange	OBYCF/ TYO
Bloomberg / Reuters	1802 JP / 1802.T
Market Value (mn) / Shares Outstanding (mn)	9,539 USD / 722
Free Float	91.60%
Average Daily Volume 30 day (US\$m)	43.20
% of Sell-Side rated 'BUY'	90%

### Company Description

One of the mega-general contractors. Founded in 1892 in Osaka when Mr. Yoshigoro Obayashi won the contract to build Abe Paper Mill. Long history in Kansai-based operations, also won substantial 1970 Osaka Expo facility orders. Strong Kansai construction record, also built several symbolic buildings in Tokyo (Tokyo Central Station in the past to the Tokyo Sky Tree recently). Swift to capture PFI (Private Finance Initiative) business, with Japan's largest track record.

### Key Drivers

Our Buy rating is based on our forecasts for the completed construction gross margin to continue to improve and the dividend yield to remain high. Also, we anticipate share buybacks based on management's new shareholder return policy.

Key Estimates & Ratios (Mar)	2023A	2024A	2025E	2026E	2027E
EPS (JPY)	108.34	104.69	179.54	158.48	171.88
Dividend / Share (JPY)	42.00	75.00	80.00	85.00	90.00
P/E	18.25x	18.88x	11.01x	12.47x	11.50x
P/B	1.42x	1.23x	1.22x	1.21x	1.19x
Dividend Yield	2.12%	3.79%	4.05%	4.30%	4.55%
EV / EBITDA*	13.11x	14.49x	9.17x	9.41x	8.62x
Free Cash Flow Yield*	9.24%	-1.96%	3.26%	5.14%	4.71%
Return On Equity	7.95%	6.99%	11.15%	9.76%	10.49%
Return On Capital Employed	4.37%	3.39%	4.88%	4.48%	4.87%
Key Income Statement Data (Mar) (JPY Millions)	2023A	2024A	2025E	2026E	2027E
Sales	1,983,888	2,325,162	2,603,710	2,499,738	2,544,265
Gross Profit	216,570	219,602	279,884	276,003	294,378
Sell General & Admin Expense	(122,769)	(140,220)	(146,952)	(152,887)	(160,709)
Operating Profit	93,800	79,381	132,932	123,115	133,669
Net Interest & Other income	(12,836)	(18,074)	(16,780)	(17,244)	(17,334)
Pretax Income	100,802	91,515	143,174	131,694	142,157
Tax (expense) / Benefit	(33,848)	(29,926)	(54,487)	(49,591)	(52,793)
Net Income (Adjusted)	77,671	75,059	128,227	111,347	118,536
Key Cash Flow Statement Data	2023A	2024A	2025E	2026E	2027E
Net Income	64,767	59,470	85,736	80,977	88,166
Depreciation & Amortization	23,941	27,117	35,277	40,846	45,285
Change in Working Capital	137,291	(24,270)	5,593	27,912	1,428
Cash Flow from Operations	228,456	50,399	124,560	148,333	143,550
Capital Expenditure	(96,589)	(78,391)	(78,111)	(74,992)	(76,328)
(Acquisition) / Disposal of Investments	19,133	33,020	44,592	30,000	30,000
Cash Flow from Investing	(101,610)	(84,471)	(33,519)	(44,992)	(46,328)
Cash Flow from Financing	22,118	(51,922)	(50,251)	(68,490)	(90,459)
Free Cash Flow	131,867	(27,992)	46,448	73,341	67,222
Net Debt	(80,061)	(13,200)	(12,767)	(28,340)	(29,976)
Key Balance Sheet Data	2023A	2024A	2025E	2026E	2027E
Property, Plant & Equipment	692,545	735,914	778,747	812,894	843,937
Other Non-Current Assets	411,832	591,996	548,686	518,206	488,412
Trade Receivables	854,128	1,077,231	1,206,281	1,158,111	1,178,740
Cash & Equivalents	419,405	339,188	367,477	402,329	409,091
Other Current Assets	232,018	272,718	283,603	282,041	275,338
Total Assets	2,609,928	3,017,047	3,184,794	3,173,581	3,195,518
Long-Term Debt	242,138	237,489	258,048	270,374	274,017
Other Non-Current Liabilities	105,475	151,230	157,041	174,628	176,018
Short-Term Debt	97,206	88,499	96,662	103,615	105,098
Other Current Liabilities	1,129,228	1,345,018	1,481,790	1,447,004	1,471,001
Total Liabilities	1,574,047	1,822,236	1,993,541	1,995,621	2,026,133
Total Equity	1,035,881	1,194,810	1,191,305	1,177,931	1,169,399

**Source:** Company reports, BofA Global Research estimates. Note: \*For full definitions of iQmethodSM measures, see page 33.

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**Exhibit 47: Share price (29 December 2023 = 100)**

Strongly outperforming TOPIX

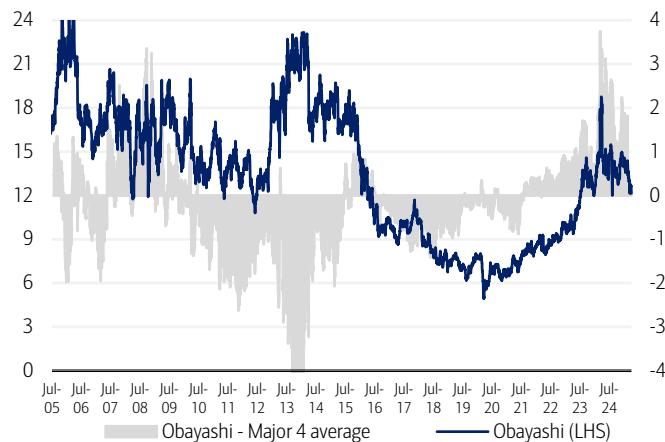


Source: Bloomberg, BofA Global Research

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**Exhibit 49: P/E**

The stock trades at a premium valuation



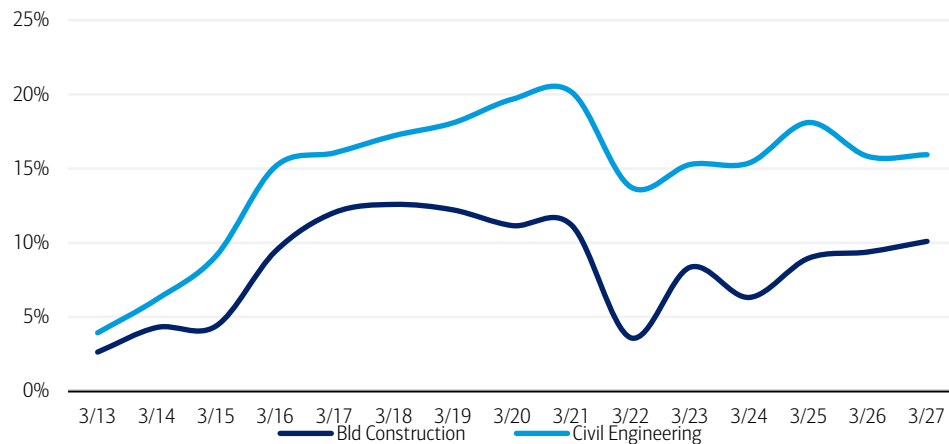
Note: Current FY + one FY forward based on Bloomberg consensus

Source: Bloomberg, BofA Global Research

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**Exhibit 51: GPMs on completed building construction/civil engineering (non-consolidated)**

Construction margins improving

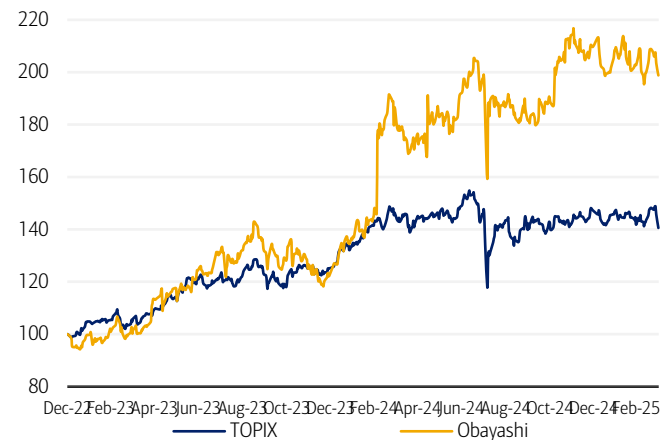


Note: Our estimates for FY3/25 onward

Source: Company, BofA Global Research

**Exhibit 48: Share price (30 December 2022 = 100)**

The share price rose to higher level after change in capital policy in March '24



Source: Bloomberg, BofA Global Research

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**Exhibit 50: Dividend yield**

Around 4% recently



Note: Based on Bloomberg consensus

Source: Bloomberg, BofA Global Research

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**Investment rationale**

Our Buy rating is based on our forecasts for the completed construction gross margin to continue to improve and the dividend yield to remain high. Also, we anticipate share buybacks based on management's new shareholder return policy.

**Upside catalyst**

- FY3/25 earnings results announcement (May) - Although we expect profit growth to pause in FY3/26 due to dropping out of forex effects and a decline in additional work, we lifted our OP estimate in March by 12.5% to reflect the better-than-expected improvement in margins. The company's share price has been directionless since 3Q results were released, but we believe the stock will begin to price in improvement in the building construction GM and high total return yield (over 6%, based on our FY3/26 estimates).

**Risks**

- Upside risks: (1) a decline in equipment and material prices; (2) acquisition of high-margin projects; and (3) the implementation of share buybacks.
- Downside risks: (1) steep increases in equipment and material prices and labor costs; (2) large construction losses; and (3) geopolitical risks.

**Latest full report:**

[Obayashi Corporation \(1802\): Reiterate Buy, raise profit estimates: solid results, total return yield to improve 03 March 2025](#)





# Pop Mart

**Alice Ma >>**

Merrill Lynch (Hong Kong)

alice.ma@bofa.com

## Exhibit 52: Pop Mart | Ma,Alice | BUY | PO: 200 HKD | Price: 164.3 HKD

A summary of stock data, description, drivers, estimates & valuation, financial statements

### Stock Data

Industry	Toys
BofA Ticker / Exchange	POPMF/ HKG
Bloomberg / Reuters	9992 HK / 9992.HK
Market Value (mn) / Shares Outstanding (mn)	27,013 USD / 1,343
Free Float	55.07%
Average Daily Volume 30 day (US\$m)	203.85
% of Sell-Side rated 'BUY'	95%

### Company Description

Pop Mart is China's No.1 pop toy company in terms of retail sales value. The company mainly conducts IP (intellectual property) production and pop toy retail business through the DTC (direct-to-consumer) channel, with 521 retail stores globally as of 2024.

### Key Drivers

We rate Pop Mart Buy on the company having built up a strong IP platform with 2-sided network effect, with various opportunities of IP monetization as well as continuous overseas expansion, which brings strong top-line growth and margin expansion.

Key Estimates & Ratios (Dec)	2023A	2024A	2025E	2026E	2027E
EPS (HKD)	0.81	2.55	4.51	6.89	9.43
Dividend / Share (HKD)	0.28	0.82	1.36	2.08	2.84
Free Cash Flow / Share (HKD)	1.19	2.74	3.07	6.62	7.80
P/E	193.47x	61.26x	34.73x	22.71x	16.60x
P/B	27.05x	19.67x	14.21x	9.96x	7.06x
Dividend Yield	0.18%	0.53%	0.87%	1.33%	1.81%
EV / EBITDA*	105.23x	39.83x	22.46x	14.77x	10.69x
Free Cash Flow Yield*	0.76%	1.73%	1.94%	4.18%	4.92%
Return On Equity	16.16%	36.88%	47.14%	51.15%	49.35%
Return On Capital Employed	13.31%	32.34%	44.21%	48.30%	46.85%
Key Income Statement Data (Dec) (HKD Millions)	2023A	2024A	2025E	2026E	2027E
Sales	6,301	13,038	21,500	32,894	45,005
Gross Profit	3,864	8,708	14,793	22,785	31,291
Sell General & Admin Expense	(2,712)	(4,598)	(6,988)	(10,691)	(14,627)
Operating Profit	1,231	4,154	7,974	12,391	17,088
Net Interest & Other income	152	163	196	196	196
Pretax Income	1,416	4,366	8,221	12,637	17,334
Tax (expense) / Benefit	(327)	(1,057)	(1,973)	(3,033)	(4,160)
Net Income (Adjusted)	1,191	3,403	6,002	9,178	12,556
Key Cash Flow Statement Data	2023A	2024A	2025E	2026E	2027E
Net Income	1,082	3,125	5,902	9,073	12,446
Depreciation & Amortization	669	863	923	1,139	1,601
Change in Working Capital	139	(593)	(1,937)	(108)	(1,846)
Cash Flow from Operations	1,991	4,424	5,387	10,794	13,092
Capital Expenditure	(392)	(795)	(1,312)	(2,007)	(2,745)
(Acquisition) / Disposal of Investments	(2)	0	0	0	0
Cash Flow from Investing	234	(745)	(1,365)	(2,060)	(2,799)
Cash Flow from Financing	(842)	(1,094)	(1,801)	(2,753)	(3,767)
Free Cash Flow	1,598	3,629	4,075	8,787	10,347
Net Debt	(5,170)	(8,656)	(10,876)	(16,857)	(23,383)
Key Balance Sheet Data	2023A	2024A	2025E	2026E	2027E
Property, Plant & Equipment	653	739	1,430	2,331	3,369
Other Non-Current Assets	1,632	1,895	1,593	1,560	1,666
Trade Receivables	321	478	936	1,227	1,732
Cash & Equivalents	5,963	9,620	11,841	17,821	24,348
Other Current Assets	1,399	2,138	4,428	6,101	8,443
Total Assets	9,969	14,871	20,228	29,040	39,559
Long-Term Debt	NA	NA	NA	NA	NA
Other Non-Current Liabilities	29	15	15	15	15
Short-Term Debt	367	363	363	363	363
Other Current Liabilities	1,366	3,007	3,817	5,674	6,675
Total Liabilities	2,188	3,986	4,796	6,653	7,654
Total Equity	7,780	10,885	15,332	22,182	31,590

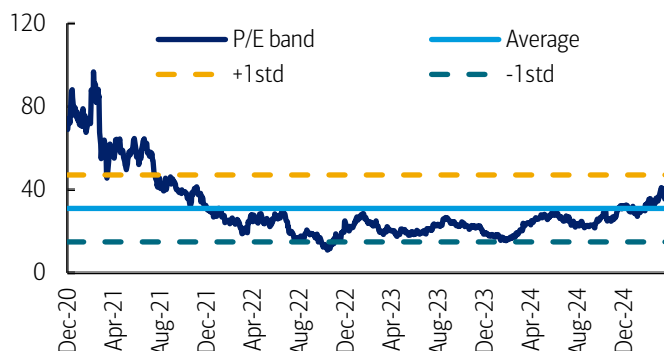
Source: Company reports, BofA Global Research estimates. Note: \*For full definitions of iQmethodSM measures, see page 33.

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**Exhibit 53: Pop Mart: P/E band**

Pop Mart currently trades at 36x forward PE, above its historical average while still below +1std of average

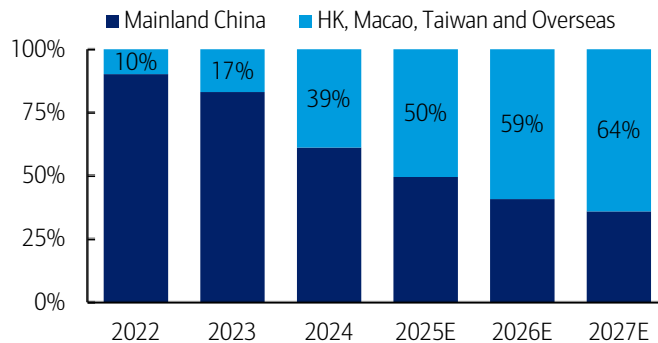


Source: Bloomberg. std = standard deviation.

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**Exhibit 54: Pop Mart: Revenue breakdown by retail channel**

We expect overseas revenue contribution to reach 64% in 2027E

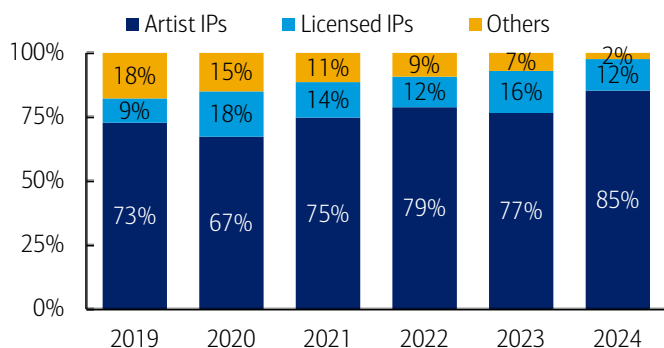


Source: Company, BofA Global Research estimates

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**Exhibit 55: Pop Mart: Revenue breakdown by IP type**

Artist IPs are the major revenue contributor of Pop Mart, accounting for 85% of revenue in 2024



Source: Company, BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 56: Pop Mart: Top 10 IP by revenue (2024)**

The Monsters, Molly, and Skullpanda were the top-3 IPs of Pop Mart, with top 10 IPs accounting for c. 76% of total revenue as of 2024

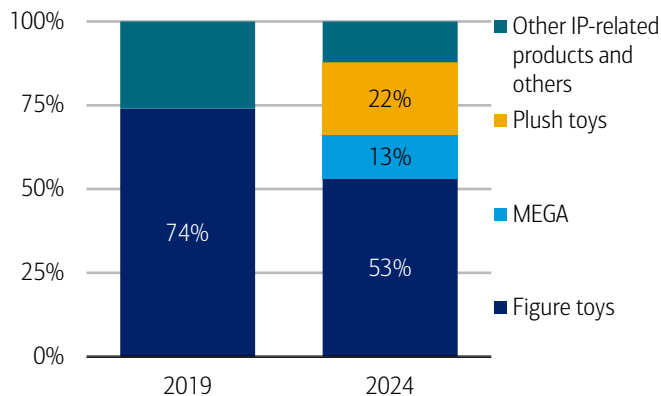
IP name	Launch time	Owned/exclusive	% of revenue
THE MONSTERS	2019	Exclusive	23.3%
MOLLY	2016	Owned	16.5%
SKULLPANDA	2020	Owned	10.3%
CRYBABY	2021	Exclusive	9.2%
DIMOO	2019	Owned	7.1%
HIRONO	2021	Owned	5.7%
Zsiga	2022	Owned	1.9%
HACIPUPU	2022	Exclusive	1.7%

Source: Company, BofA Global Research

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**Exhibit 57: Pop Mart: Revenue breakdown by products**

More diversified product portfolio from innovation, with contribution from figure toys went down to 53% in 2024

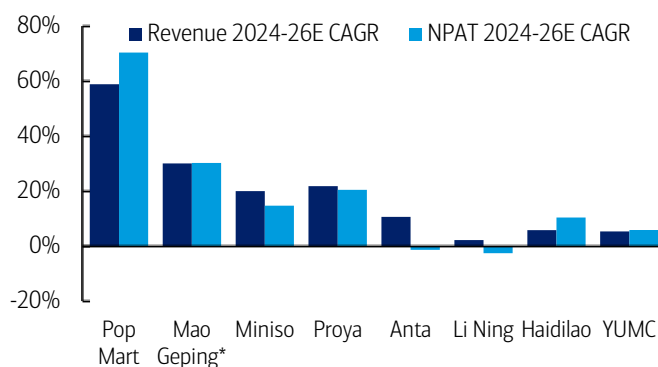


Source: Company, BofA Global Research

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**Exhibit 58: Pop Mart: 24-26E CAGR comparison with leading China consumer discretionary names**

Pop Mart is one of the fastest growing firms, vs other China consumer discretionary peers with 59%/70% CAGR in 2024-26E



Source: Company, BofA Global Research estimates. \*Based on BBG consensus

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**Investment rationale**

We rate Pop Mart Buy on the company having built a strong IP platform with 2-sided network effect, with various opportunities of IP monetization as well as continuous overseas expansion, which brings strong topline growth and margin expansion.

**Upside catalysts**

- Better-than-expected loan growth across segments given better capital/liquidity, customer positioning and more resilient asset quality
- New digital initiatives and ecosystems delivering advantages over peers

**Risks**

- Product and IP lifecycle maybe harder than expected to anticipate
- Overseas operations may take longer to ramp up than expected given various cultural differences and difficulties on extension of business landscape
- Loss of access to third-party OEMS manufacturing facilities / services. Rapidly intensifying competition.
- Key personnel risk, including IP designers and key management

**Latest Full Report:**

[Pop Mart: Beat and raise estimates & PO; overseas the key driver](#)

[Pop Mart: Quest for an emotional connection: Leading IP platform; our new Buy](#)

# Sony

**Mikio Hirakawa** >>

BofAS Japan

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## Exhibit 59: Sony Group Corporation | Hirakawa,Mikio | BUY | PO: 4500 JPY | Price: 3765 JPY

A summary of stock data, description, drivers, estimates & valuation, financial statements

### Stock Data

Industry	Electronics
BofA Ticker / Exchange	SNEJF/ TYO
Bloomberg / Reuters	6758 JP / 6758.T
Market Value (mn) / Shares Outstanding (mn)	154,835 USD / 6,150
Free Float	97.84%
Average Daily Volume 30 day (US\$m)	450.26
% of Sell-Side rated 'BUY'	81%

### Company Description

World-class electronics brand founded by Masaru Ibuka and Akio Morita in 1946. Well-known entertainment conglomerate ranging from AV equipment to games, movies, music and finance. Following CMOS (complementary metal oxide semiconductor) image sensors, games, music, and picture are expected to drive Sony's earnings.

### Key Drivers

Our Buy rating rests on (1) growth through synergy benefits between games, music, and the group, and monetizing intellectual property (IP) by using it in various media; and (2) maximizing corporate value by managing the business portfolio.

Key Estimates & Ratios (Mar)	2023A	2024A	2025E	2026E	2027E
EPS (JPY)	150.98	157.17	176.36	180.07	187.69
Dividend / Share (JPY)	15.00	17.00	20.00	21.00	22.00
P/E	24.94x	23.95x	21.35x	20.91x	20.06x
P/B	3.23x	3.06x	2.77x	2.55x	2.37x
Dividend Yield	0.40%	0.45%	0.53%	0.56%	0.58%
EV / EBITDA*	18.13x	17.05x	15.74x	14.61x	14.44x
Free Cash Flow Yield*	-1.29%	3.24%	3.59%	4.56%	5.73%
Return On Equity	13.04%	13.10%	13.51%	12.66%	12.24%
Return On Capital Employed	3.97%	3.68%	4.06%	4.39%	4.52%

### Key Income Statement Data (Mar) (JPY Millions)

	2023A	2024A	2025E	2026E	2027E
Sales	11,539,837	13,020,768	13,475,667	13,248,320	13,227,692
Gross Profit	4,363,114	4,931,451	5,295,589	5,565,495	5,711,236
Sell General & Admin Expense	(1,969,170)	(2,156,156)	(2,287,819)	(2,408,933)	(2,493,244)
Operating Profit	1,208,206	1,208,811	1,403,060	1,545,515	1,606,943
Net Interest & Other income	0	0	0	0	0
Pretax Income	1,180,313	1,268,662	1,445,713	1,515,515	1,576,943
Tax (expense) / Benefit	(236,691)	(288,168)	(356,079)	(378,879)	(394,236)
Net Income (Adjusted)	937,126	970,573	1,070,283	1,088,636	1,134,708

### Key Cash Flow Statement Data

	2023A	2024A	2025E	2026E	2027E
Net Income	937,126	970,573	1,070,283	1,088,636	1,134,708
Depreciation & Amortization	1,004,590	1,144,981	1,145,269	1,200,650	1,172,303
Change in Working Capital	(216,174)	381,594	(173,396)	(632,858)	(396,958)
Cash Flow from Operations	314,691	1,373,213	1,543,056	1,704,429	1,958,051
Capital Expenditure	(613,635)	(623,946)	(712,696)	(649,386)	(632,092)
(Acquisition) / Disposal of Investments	0	0	0	0	0
Cash Flow from Investing	(1,052,664)	(818,886)	(991,112)	(986,337)	(969,043)
Cash Flow from Financing	84,300	(210,709)	(938,478)	(743,092)	(994,009)
Free Cash Flow	(298,944)	749,267	830,360	1,055,043	1,325,960
Net Debt	2,389,672	2,181,320	2,230,032	1,932,365	1,395,823

### Key Balance Sheet Data

Property, Plant & Equipment	1,344,864	1,522,640	1,560,095	1,511,372	1,483,739
Other Non-Current Assets	24,919,840	25,808,044	26,789,499	26,623,908	26,448,281
Trade Receivables	1,777,939	2,158,196	1,730,136	1,625,592	1,881,786
Cash & Equivalents	1,480,900	1,907,113	950,000	925,000	920,000
Other Current Assets	2,517,679	2,711,497	1,945,215	1,580,362	1,940,856
Total Assets	32,041,222	34,107,490	32,974,944	32,266,234	32,674,662
Long-Term Debt	1,767,696	2,058,117	1,892,953	1,892,953	1,892,953
Other Non-Current Liabilities	13,676,268	14,101,223	14,387,590	14,387,590	14,387,590
Short-Term Debt	2,102,876	2,030,316	1,287,079	964,412	422,870
Other Current Liabilities	7,206,060	8,161,729	6,793,991	5,691,736	5,911,466
Total Liabilities	24,752,900	26,351,385	24,361,613	22,936,691	22,614,879
Total Equity	7,288,322	7,756,105	8,613,332	9,329,543	10,059,783

Source: Company reports, BofA Global Research estimates. Note: \*For full definitions of iQmethodSM measures, see page 33.

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### Investment rationale

Our Buy rating on Sony is based on (1) its ability to monetize IP, and (2) its portfolio management capabilities.

For IP utilization, Sony has strong game, anime, and music platforms that enhance the value of IP and content. It has also built a business model that allows for the cross-segment use of its own game, music, and picture IP. We expect this utilization of its IP to drive Sony's profit growth.

On portfolio management, one of Sony's compelling strengths is its portfolio management capability, which centers on technology and entertainment. We believe the planned spin-off of SFG (Sony Financial Group) in October 2025 will unlock value in its financial business, and create more value for Sony Group shareholders in the process (SFG shares will be distributed to Sony's shareholders). Furthermore, Sony's proactive M&A and partnership strategy, which has accelerated profit growth in the content business, will remain an effective growth strategy, in our opinion. Over the longer term, we also believe a transition to a fabless model in the semiconductor business would increase corporate value.

### Upside catalysts

- Confirmation of synergy benefits between music (Aniplex), films (Crunchyroll), and games, with the release of a *Demon Slayer: Kimetsu no Yaiba* film (scheduled for Jul-2025)
- The release of third-party software *Grand Theft Auto 6* demonstrating the monetization power of the PlayStation (PS) platform (Oct-2025 based on our estimate)
- Unlocking of value of the financial business through the planned spin-off and listing of Sony Financial Group (SFG, scheduled for this Oct).

### Key risks

- A slowdown in the CMOS image sensors (CIS) business owing to weak smartphone demand
- Price decline in the TV and smartphone business owing to tough competition
- Strengthening of the dollar against the euro.

### Latest Full Report:

[Sony Group Corporation \(6758\): Deep-dive: Enhancing value by monetizing IP, business portfolio management 2025-03-24](#)

# Xiaomi Corporation

**Robert Cheng >>**

Merrill Lynch (Taiwan)

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## Exhibit 60: Xiaomi Corporation | Cheng,Robert | BUY | PO: 63 HKD | Price: 46.5 HKD

A summary of stock data, description, drivers, estimates & valuation, financial statements

Stock Data	
Industry	Electronics
BofA Ticker / Exchange	XIACF/ HKG
Bloomberg / Reuters	1810 HK / 1810.HK
Market Value (mn) / Shares Outstanding (mn)	151,358 USD / 25,325
Free Float	79.96%
Average Daily Volume 30 day (US\$m)	2142.54
% of Sell-Side rated 'BUY'	93%

### Company Description

Xiaomi, founded in 2010, is an internet company with smartphones and smart hardware connected by an IoT platform as its core. The company operates a "triathlon" business model comprising hardware sales, e-commerce, new retail and internet services. Founder and CEO Lei Jun is the controlling shareholder of the company and exerts great influence over day-to-day operations.

### Key Drivers

We have a Buy rating on Xiaomi, on its upbeat EV delivery with a strong gross margin (GM), solid IoT expansion and improving internet sales/GM.

Key Estimates & Ratios (Dec)	2023A	2024A	2025E	2026E	2027E
EPS (CNY)	0.69	0.93	1.03	1.34	1.74
Dividend / Share (CNY)	0.00	0.00	0.00	0.00	0.00
Free Cash Flow / Share (CNY)	1.41	1.16	1.34	1.37	1.88
P/E	61.21x	47.19x	42.01x	32.33x	24.96x
P/B	6.69x	5.82x	5.08x	4.37x	3.70x
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%
EV / EBITDA*	43.70x	35.22x	28.04x	21.51x	16.90x
Free Cash Flow Yield*	3.19%	2.63%	3.13%	3.20%	4.38%
Return On Equity	12.53%	15.44%	13.42%	15.11%	16.68%
Return On Capital Employed	8.72%	10.34%	10.66%	12.35%	14.01%

Key Income Statement Data (Dec) (CNY Millions)	2023A	2024A	2025E	2026E	2027E
Sales	270,970	365,906	469,270	576,249	670,690
Gross Profit	57,476	76,560	98,993	122,079	144,033
Sell General & Admin Expense	(24,353)	(30,991)	(34,706)	(38,251)	(40,843)
Operating Profit	20,009	24,503	31,152	41,329	54,372
Net Interest & Other income	2,002	3,624	2,800	2,800	2,800
Pretax Income	22,011	28,127	33,952	44,129	57,172
Tax (expense) / Benefit	(4,537)	(4,548)	(6,790)	(8,826)	(11,434)
Net Income (Adjusted)	19,273	27,235	27,162	35,303	45,738

Key Cash Flow Statement Data	2023A	2024A	2025E	2026E	2027E
Net Income	17,475	23,658	27,186	35,327	45,762
Depreciation & Amortization	4,836	6,318	7,567	9,154	9,884
Change in Working Capital	14,664	15,658	12,648	5,643	7,461
Cash Flow from Operations	41,300	39,295	47,401	50,124	63,107
Capital Expenditure	(6,269)	(10,480)	(13,000)	(15,000)	(15,000)
(Acquisition) / Disposal of Investments	(10,528)	(9,269)	(3,763)	(4,352)	(4,484)
Cash Flow from Investing	(35,169)	(35,386)	(16,763)	(19,352)	(19,484)
Cash Flow from Financing	(505)	(3,999)	0	0	0
Free Cash Flow	35,032	28,815	34,401	35,124	48,107
Net Debt	(5,774)	(3,058)	(33,696)	(64,469)	(108,092)

Key Balance Sheet Data	2023A	2024A	2025E	2026E	2027E
Property, Plant & Equipment	13,721	18,088	26,251	34,606	41,169
Other Non-Current Assets	111,474	159,359	156,392	154,235	153,272
Trade Receivables	12,151	14,589	23,003	26,999	32,251
Cash & Equivalents	33,631	33,661	64,299	95,072	138,695
Other Current Assets	153,270	177,459	181,466	196,069	214,054
Total Assets	324,247	403,155	451,412	506,980	579,440
Long-Term Debt	21,674	17,276	17,276	17,276	17,276
Other Non-Current Liabilities	22,724	21,289	21,289	21,289	21,289
Short-Term Debt	6,183	13,327	13,327	13,327	13,327
Other Current Liabilities	109,404	162,058	183,128	203,370	230,068
Total Liabilities	159,986	213,950	235,021	255,262	281,961
Total Equity	164,262	189,205	216,391	251,718	297,480

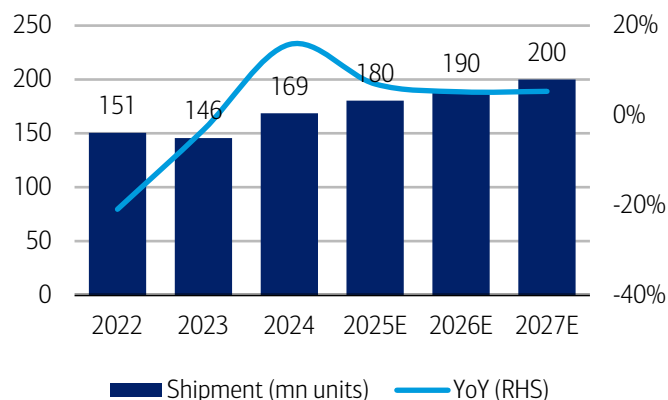
**Source:** Company reports, BofA Global Research estimates. Note: \*For full definitions of iQmethodSM measures, see page 33.

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**Exhibit 61: Xiaomi's annual smartphone shipment trend, 2022-27E**

We model smartphone shipment to reach 180/190mn units in 2025/26E

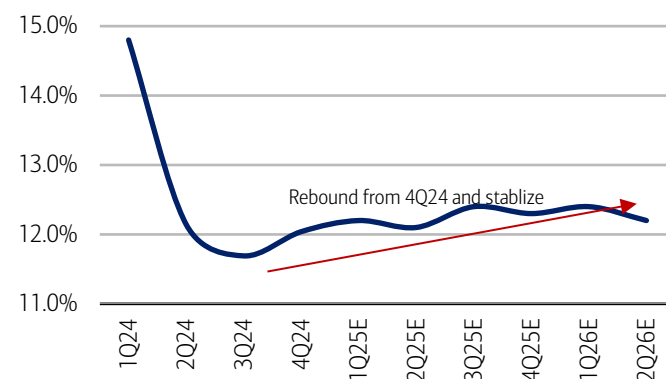


Source: Company data, BofA Global Research estimates

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**Exhibit 62: Xiaomi's smartphone gross margin trend, 1Q24-2Q26E**

We expect gross margin to rebound from 4Q24 and stabilize at around 12.0-12.5%

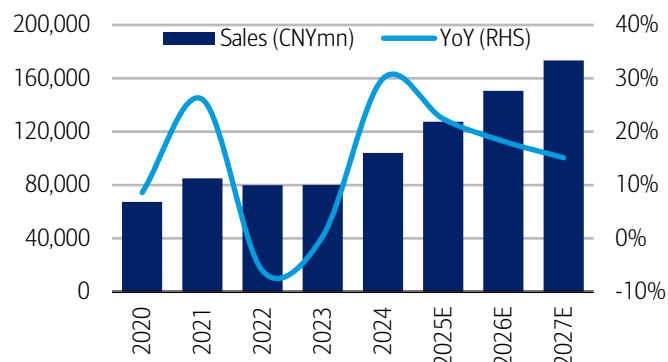


Source: Company data, BofA Global Research estimates

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**Exhibit 63: Xiaomi's IoT sales trend, 2020-27E**

IoT sales started to rebound from 2024, thanks to finished inventory digestion, and more new product launches in overseas

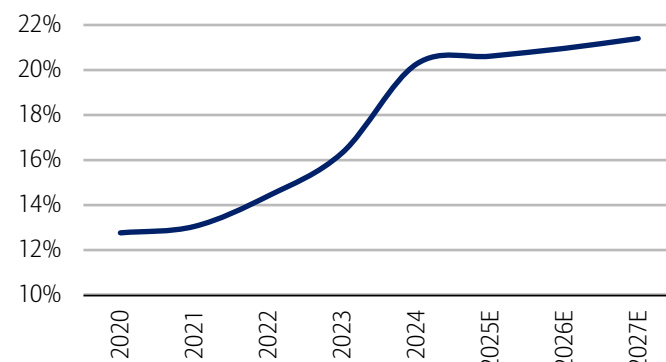


Source: Company data, BofA Global Research estimates

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**Exhibit 64: Xiaomi's IoT gross margin trend, 2020-27E**

More overseas contribution and rising in-house design support a margin expansion

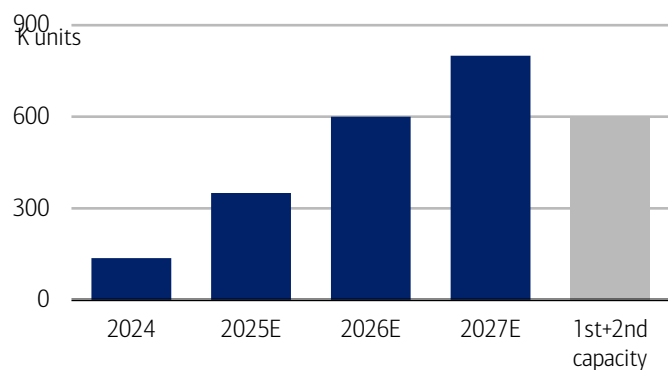


Source: Company data, BofA Global Research estimates

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**Exhibit 65: Xiaomi's EV shipment forecast, 2024-27E**

We expect 2025/26/27E shipment to reach 350/600/800k units

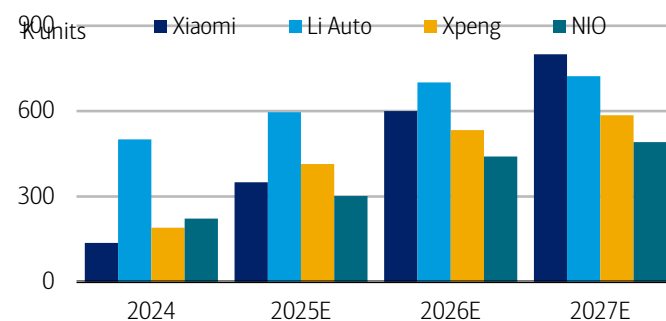


Source: Company data, BofA Global Research estimates

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**Exhibit 66: Xiaomi's EV shipment expansion vs China EV makers, 2024-27E**

We expect Xiaomi to outgrow NIO in 2025, Xpeng in 2026 and Li Auto by 2027



Source: BofA Global Research estimates

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### Investment rationale

We see solid execution at both core business and EV. We expect core business to witness a better product mix with more high/premium smartphone and home appliance deliveries, supporting hardware margin and driving internet sales/profitability. We also remain bullish on firm's EV expansion backed by its strong brand image/delivery. Its large user base of over 170mn China MAUs (monthly active users) represents a long-term growth opportunity. We model 350/600/800k units' shipment in 2025/26/27E, outgrowing NIO/Xpeng/Li Auto from 2025/26/27, respectively.

### Upside catalysts

- 2Q catalysts include Mi Fans Festival promotion, Investor Day and Shanghai Auto Show in Apr, and potential new SUV model (YU7) launch and progress on auto factory 2nd phase into May/Jun.
- Potential better-than-expected smartphone/IoT/home appliance sales, and stronger delivery at auto.

### Risks

- Slower-than-expected smartphone/IoT/home appliance sales and slower-than-expected auto factory 2nd phase expansion
- Softer-than-expected market feedback and orders of 2nd new EV model YU7.

### Latest Full Report:

[Xiaomi Corporation: HK\\$42.5bn private placement: stronger cash position, accelerating new biz; Buy 25 March 2025](#)

[Xiaomi Corporation: 4Q strong beat; better volume/mix at core biz, extended visibility for EV; lift PO 19 March 2025](#)

[Xiaomi Corporation: Firing on all cylinders: re-rating on robust EV, margin expansion at smartphone/IoT 18 February 2025](#)





**iQ<sup>method</sup> SM 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**

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, Less Cash & Equivalents	Total Equity
Interest Cover	EBIT	Interest Expense

**Valuation Toolkit**

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

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

iQ<sup>database</sup>® 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.

iQ<sup>profile</sup> SM, iQ<sup>method</sup> SM are service marks of Bank of America Corporation. iQ<sup>database</sup>® is a registered service mark of Bank of America Corporation.

**Exhibit 67: Stocks mentioned**

Prices and ratings for stocks mentioned in this report

BofA Ticker	Bloomberg ticker	Company name	Price	Rating
FDYTF	3035 TT	Faraday	NT\$ 219.5	C-1-7
HYMLF	005380 KS	Hyundai Motor	W 198600	B-1-7
KKMHF	011780 KS	Kumho Petrochemical	W 120100	B-1-7
NIBHF	NHF AU	NIB Holdings Ltd	A\$ 6.86	B-1-8
NCLTF	9843 JP	Nitori Holdings	¥ 14345	B-1-7
OBYCF	1802 JP	Obayashi Corporation	¥ 1977	B-1-7
POPMF	9992 HK	Pop Mart	HK\$ 164.3	C-1-7
SNEJF	6758 JP	Sony Group Corp	¥ 3765	C-1-7
SONY	SONY US	Sony Group Corp	US\$ 25.39	B-1-7
XIACF	1810 HK	Xiaomi	HK\$ 46.5	B-1-9
BHRTF	BHE IN	Bharat Electronics	Rs 292	B-3-7

Source: BofA Global Research

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## Price objective basis & risk

### Obayashi Corporation (1802 / OBYCF)

We value major general contractors based on forward EPS and P/E.

Our price objective of ¥2,700 is based on our FY3/26 EPS estimate and a fair-value P/E of 17.5. This P/E multiple is one standard deviation above the average during the most recent earnings expansion phase (2014-2018).

Upside risks: (1) a decline in equipment and material prices, (2) the acquisition of high-margin projects, and (3) the implementation of share buybacks.

Downside risks: (1) steep increases in equipment and material prices and labor costs, (2) large construction losses, and (3) geopolitical risks.

### Sony Group Corporation (6758 / SNEJF / SONY)

We base our ¥4,500 PO (\$30/ADR) on a SOTP approach using peer-based segment EV/EBITDA multiples and our FY3/26 EBITDA forecasts for each segment. We use an EV/EBITDA multiple of 17.5x for G&NS, applying a 2pt premium vs global game software peers, as we expect the PlayStation platform to post both high growth and stable earnings expansion. We use multiples of 16x for the music segment, on par with industry leader. We use 13x for the pictures segment, applying a 1pt discount to industry leader due to the difference in IP. We use a multiple of 6x for ET&S, adding a 1-2.5pt premium to peers to reflect high and stable earnings. We use a multiple of 7x for the imaging and sensing solutions (I&SS) segment, the average for semiconductor specialists. We use ¥1.16tn value for the financial business, derived from embedded value.

Downside risks to our PO are (1) a slowdown in the CMOS image sensors (CIS) business owing to weak smartphone demand, (2) price decline in the TV and smartphone owing to tough competition, and (3) a strengthening of the dollar against the euro. Upside risks are (1) a rapid increase in the use of multiple rear-camera lenses on smartphones contributing to earnings from CIS, (2) an earlier-than-expected launch of the market for on-board automotive CIS raising Sony's share of that market, and (3) greater-than-expected growth in the delivery of content over networks.

### Nitori Holdings (9843 / NCLTF)

Our price objective of ¥20,000 is based on a P/E of about 24x our FY3/27 EPS estimate. We reference that Nitori's 1-yr. forward P/E, according to the Bloomberg consensus, traded at roughly a 5% premium over the TOPIX Retail sector in 2019 when its domestic business steadily grew, given that Nitori is returning to a normal growth trajectory with COVID-related extraordinary demand and the subsequent pullback having subsided.

Upside risks to our PO are (1) a rise in the probability of growth in existing business alongside establishment of new core products such as home appliances, (2) early profit contributions from overseas business, and (3) increased momentum for home center industry consolidation. Downside risks are (1) forex/share price impact from sharp yen depreciation, (2) an increase in upfront investments such as store openings over the short term to gain market share over the medium to long term, and (3) wider-than-expected overseas business losses.

### Bharat Electronics (BHRTF)

Our PO is Rs224. We value the company at 24x two-year forward estimated earnings at +1.5 SD at a slight premium to broader market valuations which is justified given accelerating earnings growth, robust ordering outlook on govt's Make in India push. Govt's push for defense exports and ambitious diversification plans having potential to provide additional growth avenue.

The downside risks to our price objective are potential govt. divestments or unrelated acquisitions.



Upside risks to our PO are: 1) BEL forms JV with a global defense major to improve technical know-how, 2) significantly higher than expected order inflows, especially led by large order wins, 3) higher than expected upside from diversification plans, particularly from new age businesses like EV charging & battery manufacturing.

#### **Faraday (FDYTF)**

Our PO NT\$305 is derived from 30x 2H25-1H26E P/E, which is 10-20% below the mid point of the 33-36x for the company's historical valuation range. In our view, the multiple is backed by (1) above 50% earnings CAGR in 2024-27E, and (2) the expansion of operating margin, net margin and ROE to 10+%/10+% and around 20% in 2026E.

Downside risks: (1) downturn in foundry business cycle, given that the firm adopts a cost-plus model for turnkey (mass production) business, and (2) slower qualification and ramp-up of the yield rate for advanced packaging business

#### **Hyundai Motor (HYMLF)**

Our W324,000 PO for HMC is based on sum-of-the-parts (SOTP) valuation. We use sum-of-the-parts (SOTP) valuation to capture HMC's upside potentials from its rising pricing power on premium EV models, aside from legacy business (ICE) that entail valuation discounts. For ICE, we apply 5.6x P/E (i.e., mid-cycle average / FY25E average of Incumbent carmakers). For Hyundai Motor India, we apply 60% discount rate on Hyundai's stake (i.e., average holding company discount rate in Korea). For premium EV (electric vehicle), we apply a 0.56x P/SR, i.e. sales portion of BEV applied to peers P/SR (100% of auto sales). For the finance arm, we apply Korean peer average of 0.3x P/BV to HMC's combined net asset value (NAV) on finance affiliates. We add automotive net cash of W16.5tn which includes proceeds from India IPO.

Upside risks: (1) earlier-than-expected ramp of new auto chip production capacities to resolve the production delay issues and raise volume growth visibility, (2) weaker fx rate >W1,400 to boost export margins to the US/EU, (3) and US ATP/segment/capacity expansion in 2024 are upside risks.

Downside risks: (1) long duration of chip shortage lifts fixed costs, (2) inflation pressure/lower consumer confidence on buyers' car purchase activities, (3) utilization rate cutbacks in EM plants to offset sales gains from DM, (4) fierce price competition in battery electric vehicle segment, (5) regulatory risk.

#### **Kumho Petrochemical (KKMHF)**

Our 12-month PO of W160,000 for Kumho Petrochemical is based on 0.7x 2025E P/B paired with 7% 2025E ROE, a lower-end of historical average valuation range (0.9x P/B vs 9% ROE in 2016-17, 2019 and 2023 excluding outlier years i.e. outsized NB Latex margin strength during the Covid periods), given prolonged demand slump. We see this asset-based valuation methodology as the most appropriate when the commodity chemical cycle generally nears the trough while synthetic rubber cycles appears to set to improve steadily through 2025E and the degree of earnings visibility for earnings-based valuation multiple is too low to use as a base case.

Downside risks are (1) a sharp drop in synthetic and natural rubber prices, (2) susceptibility to butadiene price (feedstock) volatility, (3) weaker-than-expected demand for ABS on continued US-China trade conflict, (4) faster-than-expected BPA supply risks, and (5) SMP (system margin price: electricity selling price) volatility and policy risks.

Upside risks are (1) larger-than-expected naphtha cracker expansion including butadiene (BD), (2) any potential supply disruption to natural rubber production (substitutes of synthetic rubber), (3) stronger-than-expected downstream tire demand, and (4) a meaningful macro recovery, particularly in China.

**NIB Holdings Ltd (NIBHF)**

Our NHF PO of A\$8.10 is based on an adjusted Gordon Growth Model. For the Australian health insurance business (ARHI & IHII), we use a discount rate of 8.5% & growth rate of 3.5%, reflecting a more conservative valuation given weaker near-term track record and higher earnings volatility, balanced by stronger growth prospects. For NZ, we use a discount rate of 15.0% & growth rate of 3.0% reflecting prolonged recovery expectations. For other businesses (Travel, Thrive & Health Services) we use a discount rate of 15.0% & growth rate of 4.0% to reflect earnings volatility and greater risks. We adjust for excess capital based on our view of minimum group capital requirements. We also adjust for debt & non-controlling interests. At our PO, we estimate NHF would trade at 18.6x FY26E earnings.

Upside risks: 1) Higher annual premium increases, 2) Better than expected expense ratio improvements, 3) Increasing insurance participation & system growth, 4) Supportive immigration policies, 5) Improving healthcare efficiency, 6) Faster recovery in NZ, 7) Supportive markets.

Downside risks: 1) Lower annual premium increases, 2) Worse than expected expense ratio improvements, 3) Decreasing insurance participation & system growth, 4) Restrictive immigration policies, 5) Govt intervention for insurers to subsidise private hospitals, 6) Slower improvements in healthcare efficiency, 7) NDIS regulatory risk, 8) NZ underperformance, 9) Significant volatility in markets.

**Pop Mart (POPMF)**

Our PO of Pop Mart is HKD200, derived from a 50/50 blend of P/E and DCF methodology. Our P/E-based valuation is HKD183.8, derived from 30x average 2025/26E P/E, in line with its historical average of 30.9x. The P/E multiple implies <1x PEG, which is lower than domestic and global IP merchandise industry peers. Our DCF-based valuation is HKD216.2, based on a 10.6% WACC (3% risk free rate and 9.0% market risk premium), 0.84x beta, and 4% terminal growth.

Downside risks are 1) Product - lifecycle maybe harder than expected to anticipate. 2) IP - Failure to maintain IP license agreements. 3). Overseas operations may take longer to ramp up than expected given various cultural differences. 4) Loss of access to third party OEMS manufacturing facilities / services. 5) Rapidly intensifying competition. 5) Key personnel risk

**Xiaomi Corporation (XIACF)**

We set our SOTP-based PO at HK\$63, derived from:

(1) HK\$29 per share core business value on 22x 2026E P/E. Our 22x P/E is around Xiaomi's history trading average, justified by improving core business sales/margin.  
(2) HK\$34 per share EV value on 5x 2H26-1H27E P/S. We apply 5x P/S, higher than our auto team's valuation multiple of 1.5x applied on peers, justified by Xiaomi's extended business visibility, faster expansion and stronger demand.

Downside risks to our PO are (1) slower-than-expected growth in hardware sales and internet business, (2) weakening hardware margin, (3) slower monetization speed, (4) slower-than-expected EV delivery and higher expenses, and (5) worsening China/US conflict.

Upside risks to our PO are (1) better-than-expected growth in hardware sales and internet business, (2) stronger-than-expected hardware margin, (3) stronger monetization capability, (4) better-than-expected EV delivery, (5) eased China/US conflict.



## Analyst Certification

We, Christine Tan, Alice Ma, Amish Shah, CFA, Arashi Nishizawa, Freya Kong, Joon-Ho Lee, KJ Hwang, Mike Yang, Mikio Hirakawa, Robert Cheng and Takumi Kasai, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective 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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sanctioned parties as well as investing in any funds that trade in such securities. Investors who are US persons should be aware of the OFAC sanctions requirements and are advised that violations can result in civil and/or criminal penalties. For further information on US-related sanctions, please consult with [www.treasury.gov/resource-center/sanctions](http://www.treasury.gov/resource-center/sanctions).

#### APR - Consumer Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	ABC-MART	AMKYF	2670 JP	Arashi Nishizawa
	Adastria	PNMOF	2685 JP	Arashi Nishizawa
	AmorePacific Corp	AMRPF	090430 KS	Ahyung Cho
	Anta Sports	ANPDF	2020 HK	Lucy Yu
	BGF Retail	XWAHF	282330 KS	Ahyung Cho
	Bosideng	BSDGF	3998 HK	Lucy Yu
	BUD APAC	BDWBF	1876 HK	Chen Luo, CFA
	Chacha Food	XCCLF	002557 CH	Jack Chen
	China Feihe	CHFLF	6186 HK	Jack Chen
	China Resources Beer (Holdings) Co Ltd	CRHKF	291 HK	Chen Luo, CFA
	China Resources Beverage	XCRBF	2460 HK	Jack Chen
	Colgate-Palmolive India	CPIYF	CLGT IN	Aditya Mathur
	Cosmos Pharmaceutical	CSMYF	3349 JP	Arashi Nishizawa
	Dabur India	DBUIF	DABUR IN	Aditya Mathur
	DPC Dash Ltd	DPCDF	1405 HK	Lucy Yu
	Eastroc	XEBSF	605499 CH	Jack Chen
	Fast Retailing	FRCOF	9983 JP	Arashi Nishizawa
	Fast Retailing	FRCOY	FRCOY US	Arashi Nishizawa
	GOLDWIN	GWNCF	8111 JP	Arashi Nishizawa
	Gree Electric Appliances	ZHUHF	000651 CH	Chen Luo, CFA
	Haier Smart Home Co Ltd	TTHEF	600690 CH	Lucy Yu
	Haier Smart Home Co Ltd	HRSHF	6690 HK	Lucy Yu
	Henan Shuanghui Investment & Dev	HSUIF	000895 CH	Chen Luo, CFA
	Hindustan Unilever	HINLF	HUVR IN	Aditya Mathur
	Hisense Home Appliance	XMBQF	000921 CH	Lucy Yu
	Hisense Home Appliance	HISEF	921 HK	Lucy Yu
	ITC	ITCTF	ITC IN	Aditya Mathur
	JINS HOLDINGS	JNDOF	3046 JP	Arashi Nishizawa
	Kobe Bussan	KOBNF	3038 JP	Arashi Nishizawa
	KT&G	KTCIF	033780 KS	Ahyung Cho
	Kusuri No Aoki Holdings	XADAF	3549 JP	Arashi Nishizawa
	Kweichow Moutai Co. Ltd.	XHJBF	600519 CH	Chen Luo, CFA
	Lai Yih Footwear	XAWWF	6890 TT	Ronald Leung, CFA
	Makalot Industrial	MAKAF	1477 TT	Ronald Leung, CFA
	Man Wah Holdings	MAWHF	1999 HK	Yoyo Pang
	Marico	MAIOF	MRCO IN	Aditya Mathur
	MatsukiyoCocokara & Co	MSMKF	3088 JP	Arashi Nishizawa
	Mengniu Dairy	CIADF	2319 HK	Chen Luo, CFA
	Midea Group	XYUAF	300 HK	Chen Luo, CFA
	Midea Group Co Ltd	XMGEF	000333 CH	Chen Luo, CFA
	New Oriental Education & Technology	EDU	EDU US	Lucy Yu
	New Oriental Education & Technology	NWOEF	9901 HK	Lucy Yu
	Nien Made Enterprise	XNRBF	8464 TT	Yoyo Pang
	Nitori Holdings	NCLTF	9843 JP	Arashi Nishizawa
	Nongfu Spring	NNFSF	9633 HK	Jack Chen
	PAL Group Holdings	PALZF	2726 JP	Arashi Nishizawa
	Pop Mart	POPMF	9992 HK	Alice Ma
	Proya Cosmetics	XPXCF	603605 CH	Lucy Yu
	Ryohin Keikaku	RYKKF	7453 JP	Arashi Nishizawa
	Ryohin Keikaku	RYKKY	RYKKY US	Arashi Nishizawa
	Samsonite International	SMSOF	1910 HK	Jack Chen
	Shanxi Fen Wine	XCKZF	600809 CH	Chen Luo, CFA
	Shenzhou International	SZHIF	2313 HK	Chen Luo, CFA
	Shinsegae	SDKLF	004170 KS	Ahyung Cho
	Sugi Holdings	SGIPF	7649 JP	Arashi Nishizawa
	Sundrug	SDGCF	9989 JP	Arashi Nishizawa
	TAL	TAL	TAL US	Lucy Yu



**APR - Consumer Coverage Cluster**

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Tingyi	TCYMF	322 HK	Jack Chen
	Titan Company	XNXAF	TTAN IN	Aditya Mathur
	Tsingtao Brewery	TSGETF	168 HK	Chen Luo, CFA
	Tsingtao Brewery	XTSOF	600600 CH	Chen Luo, CFA
	Uni-president China	UNPSF	220 HK	Jack Chen
	UNITED ARROWS	UARWF	7606 JP	Arashi Nishizawa
	United Spirits	XUNIF	UNITDSPR IN	Aditya Mathur
	Varun Beverages	XMKDF	VL IN	Aditya Mathur
	WH Group Limited	WHGRF	288 HK	Chen Luo, CFA
	Yankershop Food	XYNKF	002847 CH	Jack Chen
	Yili Industrial Group	XIDRF	600887 CH	Chen Luo, CFA
	Yum China	YUMC	YUMC US	Chen Luo, CFA
	Yum China	XYUMF	9987 HK	Chen Luo, CFA

**NEUTRAL**

	Asian Paints	XSAFF	APNT IN	Aditya Mathur
	Chow Tai Fook Jewellery	CJWVF	1929 HK	Ronald Leung, CFA
	Eclat	ECLAF	1476 TT	Ronald Leung, CFA
	E-Mart	EMRTF	139480 KS	Ahyung Cho
	Fenbi Ltd	XFTTF	2469 HK	Lucy Yu
	Giant Manufacturing	GTUMF	9921 TT	Ronald Leung, CFA
	Godrej Consumer Products	XGOCF	GCPL IN	Aditya Mathur
	GS Retail	XGLTF	007070 KS	Ahyung Cho
	Haidilao International Holding Ltd.	HDALF	6862 HK	Lucy Yu
	Hengan Intl	HEGIF	1044 HK	Jack Chen
	Hotel Shilla	HSLLF	008770 KS	Ahyung Cho
	Jason Furniture	XVZDF	603816 CH	Yoyo Pang
	Jubilant FoodWorks	XJUBF	JUBI IN	Aditya Mathur
	LG H&H	LGHFF	051900 KS	Ahyung Cho
	Li Ning Co Ltd	LNGF	2331 HK	Lucy Yu
	Nestle India	XNTEF	NEST IN	Aditya Mathur
	Pan Pacific International HD	DQJCF	7532 JP	Arashi Nishizawa
	Robam Appliance	XVPDF	002508 CH	Lucy Yu
	Tata Consumer Products	XTCUF	TATACONS IN	Aditya Mathur
	Topsports International Holding Ltd.	TPSRF	6110 HK	Lucy Yu
	Welcia Holdings	WLCGF	3141 JP	Arashi Nishizawa
	Wuliangye Yibin	YBWUF	000858 CH	Chen Luo, CFA
	Yamada Holdings	YMDAF	9831 JP	Arashi Nishizawa
	Yue Yuen	YUEIF	551 HK	Yoyo Pang

**UNDERPERFORM**

	Anjoy Foods	XSWCF	603345 CH	Jack Chen
	Avenue Supermarts	XWCVF	DMART IN	Aditya Mathur
	Bairun	XSBZF	002568 CH	Jack Chen
	Britannia Industries	XJNDF	BRIT IN	Aditya Mathur
	Feng Tay	FTGYF	9910 TT	Ronald Leung, CFA
	Foshan Haitian Flavouring & Food Co Ltd	XCMJF	603288 CH	Jack Chen
	Fuling Zhacai	XSRTF	002507 CH	Jack Chen
	Hyundai Dept Store	HDTSF	069960 KS	Ahyung Cho
	Jiangsu Yanghe Brewery	XJBTF	002304 CH	Chen Luo, CFA
	Ligao Foods	XLFLF	300973 CH	Jack Chen
	Lotte Shopping	LOSPF	023530 KS	Ahyung Cho
	Luzhou Laojiao	XMBBF	000568 CH	Chen Luo, CFA
	Merida Industry Co Ltd	MIUYF	9914 TT	Ronald Leung, CFA
	MINISO Group Holdings	MNSO	MNSO US	Lucy Yu
	MINISO Group Holdings	XKTAF	9896 HK	Lucy Yu
	Oppein Home Group	XKXRF	603833 CH	Yoyo Pang
	Pidilite Industries	PDLFF	PIDI IN	Aditya Mathur
	Sapphire Foods	XLQLF	SAPPHIRE IN	Aditya Mathur
	Seria	SAOGF	2782 JP	Arashi Nishizawa
	Shanghai Jahwa	SNJUF	600315 CH	Lucy Yu
	Shanghai M&G Stationery	XBHUF	603899 CH	Yoyo Pang
	SHIMAMURA	SHAOF	8227 JP	Arashi Nishizawa
	Smoore	SMORF	6969 HK	Jack Chen
	Suofeiya Home Collection Co Ltd	XGUZF	002572 CH	Yoyo Pang
	United Breweries	UBWRF	UBBL IN	Aditya Mathur



**APR - Consumer Coverage Cluster**

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Want Want China	WWNTF	151 HK	Chen Luo, CFA
	WORKMAN	WKISF	7564 JP	Arashi Nishizawa
	Yihai Intl	YNNHF	1579 HK	Lucy Yu
	Yihai Kerry Arawana	XYIHF	300999 CH	Jack Chen
	Yonghui Superstores Co Ltd	XQYXF	601933 CH	Lucy Yu
	Zhejiang Semir Garment Co Ltd	XARGF	002563 CH	Lucy Yu

**APR - Energy Coverage Cluster**

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Bharat Petroleum Corporation Limited	XBPCF	BPCL IN	Bharat Subramanian
	Envicool	XPTIF	002837 CH	Cheng Gao
	Formosa Plastics	FSAPF	1301 TT	Joon-Ho Lee
	GAIL Limited	XGLAF	GAIL IN	Bharat Subramanian
	GAIL Limited	GAILF	GAID LI	Bharat Subramanian
	GS Holdings	GSHDF	078930 KS	Joon-Ho Lee
	Hanwha Solutions Corp.	HNWFF	009830 KS	Joon-Ho Lee
	Indorama Ventures Public Company Limited	INDMF	IVL TB	Komsun Suksumrun
	Indraprastha Gas	XTNFF	IGL IN	Bharat Subramanian
	Kumho Petrochemical	KKMHF	011780 KS	Joon-Ho Lee
	LG Chem	LGCLF	051910 KS	Joon-Ho Lee
	LG Energy Solution	XQIEF	373220 KS	Joon-Ho Lee
	Mahanagar Gas	XMGRF	MAHGL IN	Bharat Subramanian
	Oil and Natural Gas Corporation Limited	XOFOF	ONGC IN	Bharat Subramanian
	Oil India Limited	XLCRF	OINL IN	Bharat Subramanian
	People & Technology	XDFYF	137400 KS	Joon-Ho Lee
	PetroChina	PCCYF	857 HK	Matty Zhao
	Petrochina Co Ltd-A	XPCLF	601857 CH	Matty Zhao
	PTT Exploration	PTXLF	PTTEP TB	Komsun Suksumrun
	PTT Global Chemical PLC	XPGOF	PTTGC TB	Komsun Suksumrun
	PTT pcl	PTTFF	PTT TB	Komsun Suksumrun
	Reliance Inds	XRFLF	RELIANCE IN	Sachin Salgaonkar
	Sinopec	SNPMF	386 HK	Matty Zhao
	Sinopec -A	SNPAF	600028 CH	Matty Zhao
	Sinopec Engineering	SENGF	2386 HK	Yiming Wang
	SK IE Technology	XKWRF	361610 KS	Taekyoung Ha
	SK Innovation	SKOVF	096770 KS	Joon-Ho Lee
	S-Oil	SOOCF	010950 KS	Joon-Ho Lee
	Star Petroleum Refining	XSJSF	SPRC TB	Komsun Suksumrun
	Thai Oil - L	TOJIF	TOP TB	Komsun Suksumrun
	Wanhua Chemical	YWNHF	600309 CH	Yiming Wang
<b>NEUTRAL</b>				
	COSL	CHOLF	2883 HK	Yiming Wang
	COSL	XCNRF	601808 CH	Yiming Wang
	Formosa Chemicals & Fibre	XFUMF	1326 TT	Joon-Ho Lee
	Indian Oil Corporation Limited	IOCOF	IOCL IN	Bharat Subramanian
	Kunlun Energy - H	KUNUF	135 HK	Yiming Wang
	L&F	XLNTF	066970 KS	Joon-Ho Lee
	Lotte Chemical Corporation	XLCCF	011170 KS	Joon-Ho Lee
	Nan Ya Plastics	NNYPF	1303 TT	Joon-Ho Lee
	Petronet LNG	POLNF	PLNG IN	Bharat Subramanian
	POSCO Future M	XTAMF	003670 KS	Joon-Ho Lee
	PTT Oil and Retail Business	XNINF	OR TB	Komsun Suksumrun
	WCP	XWSWF	393890 KS	Taekyoung Ha
<b>UNDERPERFORM</b>				
	Ecopro BM	XKURF	247540 KS	Joon-Ho Lee
	Formosa Petrochemical	FPTCF	6505 TT	Joon-Ho Lee
	Gujarat Gas	XGGRF	GUJGA IN	Bharat Subramanian
	Hindustan Petroleum Corporation Limited	XHTPF	HPCL IN	Bharat Subramanian
	IRPC	IRPSF	IRPC TB	Komsun Suksumrun
	Petronas Chemicals	PECGF	PCHEM MK	Joon-Ho Lee





**APR - Energy Coverage Cluster**

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Pylon Tech	XPTDF	688063 CH	Cheng Gao
	Sinopec Shanghai Petrochemical Co	SPTJF	338 HK	Yiming Wang
	Sinopec Shanghai Petrochemical Co	SINFF	600688 CH	Yiming Wang
	SKC	XSXOF	011790 KS	Joon-Ho Lee
	Solus Advanced Materials	XSOAF	336370 KS	Taekyoung Ha

**APR - Semiconductor Coverage Cluster**

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Alchip	ALCPF	3661 TT	Mike Yang
	ASE Technology Holding	XSRIF	3711 TT	Brad Lin
	ASE Technology Holding -ADR	ASX	ASX US	Brad Lin
	ASMedia Technology Inc.	XZSFF	5269 TT	Mike Yang
	Aspeed	XLKMF	5274 TT	Mike Yang
	Crystal Clear	XPPTF	300655 CH	Dai Shen
	eMemory	XYLWF	3529 TT	Mike Yang
	Faraday	FDYTF	3035 TT	Mike Yang
	GigaDevice	XGXIF	603986 CH	Daley Li, CFA
	Grand Process Technology Corp	XZOWF	3131 TT	Brad Lin
	King Yuan Electronics Corp.	KYUFF	2449 TT	Brad Lin
	M31 Technology	XMTZF	6643 TT	Mike Yang
	MediaTek	MDTKF	2454 TT	Brad Lin
	Montage Technology	XRDF	688008 CH	Daley Li, CFA
	MPI Corporation	XMJCF	6223 TT	Mike Yang
	NCE Power	XVFFF	605111 CH	Daley Li, CFA
	Novatek	NVKMF	3034 TT	Brad Lin
	Phison Electronics	PISNF	8299 TT	Simon Woo, CFA
	Realtek	RLTKF	2379 TT	Brad Lin
	SK Hynix	HXSCF	000660 KS	Simon Woo, CFA
	Soulbrain	XSBOF	357780 KS	Simon Woo, CFA
	Taiwan Semiconductor Manufacturing Co.	TSM	TSM US	Brad Lin
	Taiwan Semiconductor Manufacturing Co.	TSMWF	2330 TT	Brad Lin
	United Microelectronics Corp.	XUMIF	2303 TT	Brad Lin
	United Microelectronics Corp.	UMC	UMC US	Brad Lin
	Will Semiconductor	XXHQF	603501 CH	Dai Shen
	Wonik IPS	XRHQF	240810 KS	Simon Woo, CFA
<b>NEUTRAL</b>				
	ASMPT	ASMVF	522 HK	Simon Woo, CFA
	GlobalWafers	XWLFF	6488 TT	Brad Lin
	JCET Group Co Ltd	XJIEF	600584 CH	Dai Shen
	Parade	PRDWF	4966 TT	Mike Yang
	Powerchip Semiconductor Manufacturing Co	XCHPF	6770 TT	Mike Yang
	Powertech Technology	XPZF	6239 TT	Simon Woo, CFA
	Samsung Elec -G	SSNHZ	SMSN LI	Simon Woo, CFA
	Samsung Electronics	SSNLF	005930 KS	Simon Woo, CFA
	Samsung Electronics Preferred	SSNPF	005935 KS	Simon Woo, CFA
	Shenzhen Goodix	XQPLF	603160 CH	Daley Li, CFA
	WT Microelectronics	XZOPF	3036 TT	Mike Yang
<b>UNDERPERFORM</b>				
	Global Unichip Corp.	GBUHF	3443 TT	Mike Yang
	Hangzhou Silan Microelectronics	XDFRF	600460 CH	Daley Li, CFA
	Hua Hong Semi	HHUSF	1347 HK	Dai Shen
	Ingenic	XISCF	300223 CH	Dai Shen
	Lion Electronics	XDHFF	605358 CH	Dai Shen
	LX Semicon	XLXSF	108320 KS	Simon Woo, CFA
	Macronix International	MXICF	2337 TT	Dai Shen
	Maxscend	MXSXF	300782 CH	Daley Li, CFA
	Nanya Technology	NNYAF	2408 TT	Simon Woo, CFA
	Silergy Corp.	SLEGF	6415 TT	Brad Lin
	Silicon Motion	SIMO	SIMO US	Simon Woo, CFA
	Vanguard International Semiconductor Co	VGILF	5347 TT	Mike Yang



**APR - Semiconductor Coverage Cluster**

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	VeriSilicon	XMLZF	688521 CH	Daley Li, CFA
	Win Semiconductors	XWIF	3105 TT	Brad Lin
	Winbond Electronics	WBEKF	2344 TT	Dai Shen

**RVW**

	Hwatsing Technology	XSNIF	688120 CH	Dai Shen
	Kingsemi	XKSQF	688037 CH	Dai Shen

**APR - Technology Hardware Coverage Cluster**

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Asia Vital Components	AVMPF	3017 TT	Doris Kao
	Auras Technology	AUTCF	3324 TT	Doris Kao
	BOE Technology Group Co., Ltd	XCJQF	000725 CH	Brad Lin
	BYD Electronic	BYDIF	285 HK	Katherine Zhu
	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
	E Ink Holdings	PWWIF	8069 TT	Doris Kao
	Elite Material	ETMCF	2383 TT	Mike Yang
	Foxconn Industrial Internet	XDAZF	601138 CH	Robert Cheng
	Gold Circuit	GOCCF	2368 TT	Doris Kao
	Hon Hai Precision Industry	HNHAF	2317 TT	Robert Cheng
	Inovance Technology	XMYRF	300124 CH	Ming Hsun Lee, CFA
	LG CNS	XLGLF	064400 KS	Simon Woo, CFA
	LG Electronics	LGEAF	066570 KS	Simon Woo, CFA
	Lotes	ZYZTF	3533 TT	Doris Kao
	Luxshare	XNJQF	002475 CH	Robert Cheng
	Quanta Computer	QUCPF	2382 TT	Robert Cheng
	Samsung Electro-Mechanics	SMSGF	009150 KS	Simon Woo, CFA
	Samsung SDS	XWPBF	018260 KS	Simon Woo, CFA
	Shennan Circuits	XAMKF	002916 CH	Doris Kao
	Sunny Optical	SNPTF	2382 HK	Katherine Zhu
	Taiwan Union Technology Corporation	TWUNF	6274 TT	Mike Yang
	Universal Display	OLED	OLED US	Simon Woo, CFA
	Wistron	WICOF	3231 TT	Doris Kao
	Wiiwynn	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**

	AAC Technologies	AACAF	2018 HK	Katherine Zhu
	Advantech	ADTEF	2395 TT	Robert Cheng
	Asustek	AKCPF	2357 TT	Robert Cheng
	AU Optronics	AUOTF	2409 TT	Brad Lin
	AU Optronics	AUOTY	AUOTY US	Brad Lin
	Compal Electron	XLCPF	2324 TT	Doris Kao
	DS Precision	XBASF	002384 CH	Mike Yang
	Ennostar	XENOF	3714 TT	Katherine Zhu
	Innolux Corporation	CMLXY	3481 TT	Brad Lin
	Largan Precision	LGANF	3008 TT	Robert Cheng
	Lenovo Group	LNVGf	992 HK	Robert Cheng
	Lenovo Group	LNVGy	LNVGy US	Robert Cheng
	LG Innotek	XLGQF	011070 KS	Simon Woo, CFA
	Lite-On Tech	LOTZF	2301 TT	Doris Kao
	Samsung SDI	SSDIF	006400 KS	Simon Woo, CFA
	TCL Technology Group Corp	XTOOF	000100 CH	Brad Lin
	Transsion	XCINF	688036 CH	Robert Cheng



**APR - Technology Hardware Coverage Cluster**

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>UNDERPERFORM</b>				
	Acer	ASIYF	2353 TT	Robert Cheng
	BizLink	BIZLF	3665 TT	Doris Kao
	Catcher Tech	CHERF	2474 TT	Robert Cheng
	Delta Electronics (Thailand)	XLETF	DELTA TB	Chotipat Leksakul
	Everwin Precision	XSHZF	300115 CH	Katherine Zhu
	Genius Electronic Optical	GNSEF	3406 TT	Robert Cheng
	Goertek	XGKCF	002241 CH	Robert Cheng
	Kinsus	KNSUF	3189 TT	Mike Yang
	Lianchuang Electronic	XWOFF	002036 CH	Katherine Zhu
	NYPCEB	NANYF	8046 TT	Mike Yang
	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	Robert Cheng
	Tianma	XVZLF	000050 CH	Brad Lin
	Unimicron	UMCRF	3037 TT	Mike Yang
<b>RSTR</b>				
	LG Display	LPHLF	034220 KS	Simon Woo, CFA
	LG Display-ADR	LPL	LPL US	Simon Woo, CFA

**India - Industrials Coverage Cluster**

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Larsen & Toub -G	LTOUF	LTOD LI	Amish Shah, CFA
	Larsen & Toubro Ltd	XYUYF	LT IN	Amish Shah, CFA
<b>NEUTRAL</b>				
	ABB India Ltd	ABVFF	ABB IN	Amish Shah, CFA
<b>UNDERPERFORM</b>				
	Bharat Electronics	BHRTF	BHE IN	Amish Shah, CFA
	Bharat Heavy Electricals Ltd	XBHEF	BHEL IN	Amish Shah, CFA
	CONCOR	CIDFF	CCRI IN	Amish Shah, CFA
	Cummins India	CUIDF	KKC IN	Amish Shah, CFA
	Gujarat Pipavav Port Ltd	XJGUF	GPPV IN	Amish Shah, CFA
	Havells India Ltd.	XKLDF	HAVL IN	Amish Shah, CFA
	Siemens Ltd	SMNBF	SIEM IN	Amish Shah, CFA
	Voltas	VTSJF	VOLT IN	Amish Shah, CFA

**Japan - Technology Hardware Coverage Cluster**

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Advantest	ADTTF	6857 JP	Mikio Hirakawa
	Hirose Electric	HRSEF	6806 JP	Masashi Kubota
	Hitachi	HTHIF	6501 JP	Mikio Hirakawa
	Hitachi	HTHIY	HTHIY US	Mikio Hirakawa
	HOYA	HOC PF	7741 JP	Masashi Kubota
	HOYA	HOC PY	HOC PY US	Masashi Kubota
	Ibiden	IBIDF	4062 JP	Masashi Kubota
	Japan Aviation	JPAVF	6807 JP	Masashi Kubota
	JEOL	XJEOF	6951 JP	Mayako Ouchi
	Lasertec	LSRCF	6920 JP	Mikio Hirakawa
	MinebeaMitsumi	MNBEF	6479 JP	Masashi Kubota
	Mitsubishi Electric	MIELF	6503 JP	Mikio Hirakawa
	Murata Mfg	MRAAF	6981 JP	Masashi Kubota
	Nidec	NNDNF	6594 JP	Masashi Kubota



## Japan - Technology Hardware Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	NIDEC	NJDCY	NJDCY US	Masashi Kubota
	Niterra	NGKSF	5334 JP	Masashi Kubota
	Nitto Denko	NDEKF	6988 JP	Masashi Kubota
	Panasonic	PCRF	6752 JP	Mikio Hirakawa
	Renesas Electronics	RNECF	6723 JP	Mikio Hirakawa
	Rigaku Corporation	RGAKF	268A JP	Mikio Hirakawa
	Sony Group Corporation	SONY	SONY US	Mikio Hirakawa
	Sony Group Corporation	SNEJF	6758 JP	Mikio Hirakawa
	TDK	TTDKY	TTDKY US	Masashi Kubota
	TDK	TTDKF	6762 JP	Masashi Kubota
	ULVAC	ULVAF	6728 JP	Mayako Ouchi
<b>NEUTRAL</b>				
	DISCO	DISPF	6146 JP	Mikio Hirakawa
	Iriso Electronics	IREEF	6908 JP	Masashi Kubota
	KIOXIA	XIYUF	285A JP	Mikio Hirakawa
	Nikon	NINOF	7731 JP	Mayako Ouchi
	SCREEN Holdings	DINRF	7735 JP	Mikio Hirakawa
	Tokyo Electron	TOELF	8035 JP	Mikio Hirakawa
<b>UNDERPERFORM</b>				
	Alps Alpine	APELF	6770 JP	Masashi Kubota
	Alps Alpine	APELY	APELY US	Masashi Kubota
	Anritsu	AITUF	6754 JP	Mikio Hirakawa
	Fuji Electric	FELTF	6504 JP	Mikio Hirakawa
	Kyocera	KYOCF	6971 JP	Masashi Kubota
	Kyocera	KYOCY	KYOCY US	Masashi Kubota
	Mabuchi Motor	MBUMF	6592 JP	Masashi Kubota
	Rohm	ROHCF	6963 JP	Masashi Kubota
	Sharp	SHCAF	6753 JP	Mikio Hirakawa
	Taiyo Yuden	TYOYF	6976 JP	Masashi Kubota
<b>RSTR</b>				
	Shinko Electric Industries	SHEGF	6967 JP	Masashi Kubota

## Japan - Financials and Property Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Concordia Financial Group	CCRDF	7186 JP	Shinichiro Nakamura
	Dai-ichi Life Holdings	DCNSF	8750 JP	Natsumu Tsujino, CFA
	Daiwa House Industry	DWAHF	1925 JP	Takumi Kasai
	Fukuoka Financial Group	FKKFF	8354 JP	Shinichiro Nakamura
	Japan Post Bank	JPSTF	7182 JP	Shinichiro Nakamura
	Japan Post Insurance	JPIIF	7181 JP	Natsumu Tsujino, CFA
	Kajima Corporation	KAJMF	1812 JP	Takumi Kasai
	Katitas	KTITF	8919 JP	Takumi Kasai
	Mitsubishi UFJ Financial Group	MUFG	MUFG US	Shinichiro Nakamura
	Mitsubishi UFJ Financial Group	MBFJF	8306 JP	Shinichiro Nakamura
	Mitsui Fudosan	MTSFF	8801 JP	Takumi Kasai
	Mizuho Financial Group	MZHOF	8411 JP	Shinichiro Nakamura
	Mizuho Financial Group	MFG	MFG US	Shinichiro Nakamura
	MS&AD Holdings	MSADF	8725 JP	Natsumu Tsujino, CFA
	Obayashi Corporation	OBYCF	1802 JP	Takumi Kasai
	Resona Holdings	RSNHF	8308 JP	Shinichiro Nakamura
	SBI Holdings	SBHGF	8473 JP	Natsumu Tsujino, CFA
	Sompo Holdings	NHOLF	8630 JP	Natsumu Tsujino, CFA
	Sumitomo Mitsui Financial Group	SMFNF	8316 JP	Shinichiro Nakamura
	Sumitomo Mitsui Financial Group	SMFG	SMFG US	Shinichiro Nakamura
	Sumitomo Mitsui Trust Group	CMTDF	8309 JP	Shinichiro Nakamura
	Suruga Bank	SRGBF	8358 JP	Shinichiro Nakamura
	T&D Holdings	TDHOF	8795 JP	Natsumu Tsujino, CFA
	Taisei Corporation	TISCF	1801 JP	Takumi Kasai
	Tokio Marine Holdings	TKOMF	8766 JP	Natsumu Tsujino, CFA



## Japan - Financials and Property Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Tokio Marine Holdings	TKOMY	TKOMY US	Natsumu Tsujino, CFA
	Tokyo Tatemono	TYTMF	8804 JP	Takumi Kasai
	Tokyu Fudosan Holdings	TTUUF	3289 JP	Takumi Kasai

## NEUTRAL

	Chiba Bank	CHBAF	8331 JP	Shinichiro Nakamura
	Japan Post HD	JPHLF	6178 JP	Shinichiro Nakamura
	Mitsubishi Estate	MITEF	8802 JP	Takumi Kasai
	Nomura Holdings	NRSCF	8604 JP	Natsumu Tsujino, CFA
	Nomura Holdings	NMR	NMR US	Natsumu Tsujino, CFA
	ORIX	ORXCF	8591 JP	Natsumu Tsujino, CFA
	ORIX	IX	IX US	Natsumu Tsujino, CFA
	Rakuten Bank	XHRUF	5838 JP	Shinichiro Nakamura
	Sekisui House	SKHSF	1928 JP	Takumi Kasai
	Shimizu Corporation	SHMUF	1803 JP	Takumi Kasai
	Shizuoka Financial Group	SFGIF	5831 JP	Shinichiro Nakamura
	Sumitomo Realty & Development	SURDF	8830 JP	Takumi Kasai
	Tokyo Century	TCNRF	8439 JP	Natsumu Tsujino, CFA

## UNDERPERFORM

	Aozora Bank	AOZOF	8304 JP	Shinichiro Nakamura
	Daito Trust Construction	DITTF	1878 JP	Takumi Kasai
	Daiwa Securities Group	DSECF	8601 JP	Natsumu Tsujino, CFA
	Haseko Corporation	HSKCF	1808 JP	Takumi Kasai
	Japan Exchange Group	OSCUF	8697 JP	Natsumu Tsujino, CFA
	Kyoto Financial Group	KYFGF	5844 JP	Shinichiro Nakamura
	SBI Sumishin Net Bank	SSNBF	7163 JP	Shinichiro Nakamura
	Seven Bank	SEBNF	8410 JP	Shinichiro Nakamura

## APR - Autos Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Aima Technology	XIHF	603529 CH	Joey Yang, CFA
	Ashok Leyland	XDBVF	AL IN	Gunjan Prithyani
	Bajaj Auto	XBJBF	BJAUT IN	Gunjan Prithyani
	Bethel	XBETF	603596 CH	Joey Yang, CFA
	BYD	BYDDF	1211 HK	Ming Hsun Lee, CFA
	BYD	XYMPF	002594 CH	Ming Hsun Lee, CFA
	BYD	BYDDY	BYDDY US	Ming Hsun Lee, CFA
	CALB	XCLSF	3931 HK	Ming Hsun Lee, CFA
	CATL	XMQOF	300750 CH	Ming Hsun Lee, CFA
	DENSO	DNZOF	6902 JP	Shiro Sakamaki
	Eicher Motors	XEIMF	EIM IN	Gunjan Prithyani
	Fuyao Glass	XFGIF	600660 CH	Jessie Lo
	Fuyao Glass	FIGIF	3606 HK	Jessie Lo
	Geely	GELYF	175 HK	Ming Hsun Lee, CFA
	GS Yuasa	GYUAF	6674 JP	Kentaro Hosoda
	Hankook Tire	XHTRF	161390 KS	KJ Hwang
	Hesai	HSAL	HSAL US	Jessie Lo
	HL Mando	XMADF	204320 KS	KJ Hwang
	Honda Motor	HMC	HMC US	Kentaro Hosoda
	Honda Motor	HNDAF	7267 JP	Kentaro Hosoda
	Hyundai Motor	HYMLF	005380 KS	KJ Hwang
	Koito Manufacturing	KOTMF	7276 JP	Shiro Sakamaki
	Leapmotor	ZJLMF	9863 HK	Ming Hsun Lee, CFA
	Li Auto	LI	LI US	Ming Hsun Lee, CFA
	Li Auto	LAAOF	2015 HK	Ming Hsun Lee, CFA
	Mahindra & Mahindra (M&M)	XKQRF	MM IN	Gunjan Prithyani
	Maruti	MUDGF	MSIL IN	Gunjan Prithyani
	Mazda Motor	MZDAF	7261 JP	Kentaro Hosoda
	Minth	MNTHF	425 HK	Fiona Liang
	Nexteer	NTXVF	1316 HK	Fiona Liang
	NHK Spring	NHKGF	5991 JP	Shiro Sakamaki



**APR - Autos Coverage Cluster**

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Ningbo Tuopu	XNCGF	601689 CH	Joey Yang, CFA
	Ola Electric Mobility Limited	XOLAF	OLAELEC IN	Gunjan Prithyani
	Pony AI	PONY	PONY US	Ming Hsun Lee, CFA
	SAMIL (Motherson International)	XMSUF	MOTHERSO IN	Gunjan Prithyani
	Seres	XSRSF	601127 CH	Joey Yang, CFA
	Shenzhen Kedali	XWCSF	002850 CH	Jessie Lo
	Shuanghuan Driveline	XZSHF	002472 CH	Fiona Liang
	Sona Comstar	XBNXF	SONACOMS IN	Gunjan Prithyani
	Stanley Electric	STAEF	6923 JP	Shiro Sakamaki
	Sumitomo Rubber Industries	SMTUF	5110 JP	Shiro Sakamaki
	Suzuki Motor	SZKMF	7269 JP	Shiro Sakamaki
	Toyota Motor	TOYOF	7203 JP	Kentaro Hosoda
	Toyota Motor	TM	TM US	Kentaro Hosoda
	Xingyu Automotive Lighting	XLIXF	601799 CH	Joey Yang, CFA
	XPeng Inc	XPEV	XPEV US	Ming Hsun Lee, CFA
	XPeng Inc.	XPNGF	9868 HK	Ming Hsun Lee, CFA
	Yadea	YADGF	1585 HK	Joey Yang, CFA
	Yokohama Rubber	YORUF	5101 JP	Kentaro Hosoda
	Zeekr	ZK	ZK US	Ming Hsun Lee, CFA
	Zhejiang Sanhua	XZSIF	002050 CH	Jessie Lo
	Zhongsheng Auto	ZHSHF	881 HK	Joey Yang, CFA

**NEUTRAL**

	Aisin	ASEKF	7259 JP	Shiro Sakamaki
	Astra International	PTAIF	ASII IJ	Jessie Lo
	Bridgestone	BRDCF	5108 JP	Shiro Sakamaki
	Bridgestone	BRDCY	BRDCY US	Shiro Sakamaki
	Great Wall Motor	GWLLF	2333 HK	Ming Hsun Lee, CFA
	Guangzhou Automobile Group	GNZUF	2238 HK	Ming Hsun Lee, CFA
	Hero Motocorp	HRHDF	HMCL IN	Gunjan Prithyani
	Hyundai Mobis	HYPLF	012330 KS	KJ Hwang
	Kia Corp	KIMTF	000270 KS	KJ Hwang
	MeiDong Auto	CMEIF	1268 HK	Joey Yang, CFA
	Motherson Sumi Wiring	XMWDF	MSUMI IN	Gunjan Prithyani
	NIO	NIO	NIO US	Ming Hsun Lee, CFA
	NIO	NIOIF	9866 HK	Ming Hsun Lee, CFA
	NIO	XLTFW	NIO SP	Ming Hsun Lee, CFA
	Subaru Corp	FUJHF	7270 JP	Kentaro Hosoda
	Subaru Corp	FUJHY	FUJHY US	Kentaro Hosoda
	Tata Motors	TTTSF	TTMT IN	Gunjan Prithyani
	Toyo Tire	TOTTF	5105 JP	Kentaro Hosoda
	Toyoda Gosei	TGOSF	7282 JP	Shiro Sakamaki
	Toyota Boshoku	TDBOF	3116 JP	Shiro Sakamaki
	Toyota Industries Corporation	TYIDF	6201 JP	Kentaro Hosoda
	Toyota Industries Corporation	TYIDY	TYIDY US	Kentaro Hosoda
	TVS Motors	XFKMF	TVSL IN	Gunjan Prithyani
	Yutong Bus	ZHYUF	600066 CH	Fiona Liang

**UNDERPERFORM**

	BAIC Motor	BMCLF	1958 HK	Ming Hsun Lee, CFA
	Bharat Forge	XUUVF	BHFC IN	Gunjan Prithyani
	Desay SV	XGDF	002920 CH	Joey Yang, CFA
	Dong Feng	DNFGF	489 HK	Ming Hsun Lee, CFA
	Escorts Kubota	XSCOF	ESCORTS IN	Gunjan Prithyani
	EVE	XEVF	300014 CH	Ming Hsun Lee, CFA
	GAC	XGNHF	601238 CH	Ming Hsun Lee, CFA
	Great Wall Motor	XGWMF	601633 CH	Ming Hsun Lee, CFA
	Huayu	XHASF	600741 CH	Fiona Liang
	Hyundai Motor India	XZHZF	HYUNDAI IN	Gunjan Prithyani
	Hyundai Wia	XWHYF	011210 KS	KJ Hwang
	Jardine Cycle & Carriage	JCYCF	JCNC SP	Jessie Lo
	Joyson	XQWWF	600699 CH	Fiona Liang
	Mitsubishi Motors	MMTOF	7211 JP	Kentaro Hosoda
	Nextage	NXAGF	3186 JP	Kentaro Hosoda
	Nissan Motor	NSANF	7201 JP	Shiro Sakamaki
	Nissan Motor	NSANY	NSANY US	Shiro Sakamaki



**APR - Autos Coverage Cluster**

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	SAIC Motor	XZNF	600104 CH	Ming Hsun Lee, CFA
	Wencan	XSCDF	603348 CH	Joey Yang, CFA
	Wuxi Lead	XZSRF	300450 CH	Yikai Liu, CFA
	Yongda	CYYHF	3669 HK	Joey Yang, CFA

**Australia - Financials Coverage Cluster**

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	ANZ Group	ANWF	ANZ AU	Matt Dunger
	Bendigo and Adelaide Bank Limited	BXRF	BEN AU	Matt Dunger
	Challenger Limited	CFGF	CGF AU	Freya Kong
	Computershare	CMSQF	CPU AU	Freya Kong
	Cuscal Limited	XGFTY	CCL AU	Matt Dunger
	Insurance Australia Group Ltd	IAUGF	IAG AU	Freya Kong
	Liberty Financial Group	XLBF	LFG AU	Matt Dunger
	Medibank Private Ltd	MDBPF	MPL AU	Freya Kong
	Netwealth Group	XLHGF	NWL AU	Lara Tufegdzc
	NIB Holdings Ltd	NIBHF	NHF AU	Freya Kong
	Perpetual	PPTTF	PPT AU	Lara Tufegdzc
	Suncorp Group Ltd	SNMYD	SUN AU	Freya Kong
<b>NEUTRAL</b>				
	ASX Limited	ASXFF	ASX AU	Freya Kong
	Macquarie Group Ltd	MCQEF	MQG AU	Matt Dunger
	Macquarie Group Ltd	MQBKY	MQBKY US	Matt Dunger
	Magellan	MGLLF	MFG AU	Lara Tufegdzc
<b>UNDERPERFORM</b>				
	AMP Ltd	AMLTF	AMP AU	Lara Tufegdzc
	Bank of Queensland	BKQNF	BOQ AU	Matt Dunger
	Commonw Bk Austr	CBAUF	CBA AU	Matt Dunger
	Commonw Bk Austr	CMWAY	CMWAY US	Matt Dunger
	Natl Aust Bank	NAUBF	NAB AU	Matt Dunger
	Natl Aust Bank-A	NABZY	NABZY US	Matt Dunger
	QBE Insurance Group Ltd	QBEIF	QBE AU	Freya Kong
	Westpac Banking	WEBNF	WBC AU	Matt Dunger
<b>RSTR</b>				
	Insignia Financial Ltd	IOOFF	IFL AU	Lara Tufegdzc
<b>RVW</b>				
	Steadfast Group Limited	SFGLF	SDF AU	Christiane Holstein

# Disclosures

## Important Disclosures

**Equity Investment Rating Distribution: Autos Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	59	48.76%	Buy	33	55.93%
Hold	33	27.27%	Hold	16	48.48%
Sell	29	23.97%	Sell	14	48.28%

**Equity Investment Rating Distribution: Banks Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	113	54.85%	Buy	96	84.96%
Hold	45	21.84%	Hold	34	75.56%
Sell	48	23.30%	Sell	38	79.17%



**Equity Investment Rating Distribution: Building Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	40	48.19%	Buy	21	52.50%
Hold	16	19.28%	Hold	13	81.25%
Sell	27	32.53%	Sell	9	33.33%

**Equity Investment Rating Distribution: Chemicals Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	70	50.36%	Buy	35	50.00%
Hold	25	17.99%	Hold	15	60.00%
Sell	44	31.65%	Sell	21	47.73%

**Equity Investment Rating Distribution: Consumer Products Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	35	53.85%	Buy	19	54.29%
Hold	17	26.15%	Hold	10	58.82%
Sell	13	20.00%	Sell	5	38.46%

**Equity Investment Rating Distribution: Electrical Equipment Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	16	61.54%	Buy	11	68.75%
Hold	5	19.23%	Hold	3	60.00%
Sell	5	19.23%	Sell	0	0.00%

**Equity Investment Rating Distribution: Electronics Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	29	50.88%	Buy	11	37.93%
Hold	13	22.81%	Hold	6	46.15%
Sell	15	26.32%	Sell	3	20.00%

**Equity Investment Rating Distribution: Energy Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	88	61.97%	Buy	63	71.59%
Hold	30	21.13%	Hold	26	86.67%
Sell	24	16.90%	Sell	18	75.00%

**Equity Investment Rating Distribution: Financial Services Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	157	56.47%	Buy	108	68.79%
Hold	65	23.38%	Hold	46	70.77%
Sell	56	20.14%	Sell	31	55.36%

**Equity Investment Rating Distribution: Health Care Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	226	59.16%	Buy	128	56.64%
Hold	82	21.47%	Hold	36	43.90%
Sell	74	19.37%	Sell	30	40.54%

**Equity Investment Rating Distribution: Industrials/Multi-Industry Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	52	56.52%	Buy	25	48.08%
Hold	17	18.48%	Hold	11	64.71%
Sell	23	25.00%	Sell	10	43.48%

**Equity Investment Rating Distribution: Non-Ferrous Metals/Mining & Minerals Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	61	58.65%	Buy	29	47.54%
Hold	22	21.15%	Hold	10	45.45%
Sell	21	20.19%	Sell	10	47.62%

**Equity Investment Rating Distribution: Real Estate/Property Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	67	60.91%	Buy	23	34.33%
Hold	18	16.36%	Hold	6	33.33%
Sell	25	22.73%	Sell	7	28.00%

**Equity Investment Rating Distribution: Retailing Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	77	53.47%	Buy	33	42.86%
Hold	29	20.14%	Hold	18	62.07%
Sell	38	26.39%	Sell	15	39.47%





**Equity Investment Rating Distribution: Technology Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	207	53.08%	Buy	102	49.28%
Hold	92	23.59%	Hold	49	53.26%
Sell	91	23.33%	Sell	24	26.37%

**Equity Investment Rating Distribution: Telecommunications Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	62	59.62%	Buy	43	69.35%
Hold	22	21.15%	Hold	13	59.09%
Sell	20	19.23%	Sell	10	50.00%

**Equity Investment Rating Distribution: Global Group (as of 31 Mar 2025)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	1867	54.40%	Buy	1108	59.35%
Hold	774	22.55%	Hold	466	60.21%
Sell	791	23.05%	Sell	368	46.52%

<sup>R1</sup> 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 <sup>R2</sup>
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

<sup>R2</sup> 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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