Sandisk Corporation

NAND supply remains tight, raising ASP estimates; PO to $1,080

Reiterate Rating: BUY | PO: 1,080.00 USD | Price: 919.47 USD

17 April 2026

Equity

Mix shift to data centers; AI inference demand sustainable

NAND pricing is up massively. A key question we get from investors is whether higher pricing is sustainable. Or, are we in a typical memory cycle and have margins peaked? We see a longer cycle this time given: 1) mix shift to data centers which inherently is a less cyclical end market vs. client/consumer, 2) NAND demand from AI inferencing which we view as sustainable in the medium-term, and 3) NAND suppliers being rational and adding supply judiciously. Cloud/datacenter revenue for SNDK has grown from 1% of the mix in F1Q24 to about 15% in F2Q26 (Dec qtr, Figure 1) and we see further mix shift to that end market. PO moves to $1080 (from $900) on approximately 10x (unchanged) C27E EPS of $111.32 (prior $90.21). Reit Buy on secular opportunity as AI inference makes NAND more indispensable.

Expecting a beat and raise quarter on pricing strength

SNDK reports F3Q26 after market close on Thur, April 30th. We model F3Q rev/EPS above Street and above guidance. We model rev/EPS of $4.89bn/$14.61 vs. Street $4.69bn/$14.60 and guidance ranges (rev: $4.4-4.8bn, EPS $12-14). For F4Q, we model rev/EPS of $6.67bn/$22.84 vs. Street $6.34bn/$22.47. We expect SNDK to guide F4Q revenue in the range of $6.4-6.8bn, and EPS $21-23. We now model NAND ASP sequential growth of 70%/30%/13% for F3Q26/F4Q26/F1Q27 vs. prior 63%/20%/10%.

Long-term contracts can reduce the peaks and troughs

SNDK is in the process of setting up long-term contracts (both volume and price based) which not only drive better visibility but will help to maintain margins through-cycle. We model GM growing from 51% in F2Q25 to 78.5% in F4Q28 (Figure 2). Given the dynamic nature of the NAND pricing market, we expect these long-term contracts would include a portion that is fixed and another that is variable. SNDK is offering these long term agreements to customers across Cloud, Client and Consumer but we expect the largest uptake to be in the data center business.

What can break the NAND cycle?

AI efficiency/compression improvements, like TurboQuant, can reduce the amount of memory required. We see 1) increased penetration of AI inference in enterprises which can drive the overall demand for NAND higher, and 2) improved ROI of hyperscale capex using these compression techniques, which can actually cause demand for NAND to rise.

Estimates (Jun) (US$)	2024A	2025A	2026E	2027E	2028E
EPS	0	3.02	45.42	110.62	124.97
EPS Change (YoY)	NA	NA	NM	143.5%	13.0%
Consensus EPS (Bloomberg)			41.72	103.15	95.13
Consensus EPS (Visible Alpha)			44.29	105.70	90.38
Valuation (Jun)					
P/E	NA	304.5x	20.2x	8.3x	7.4x
EV / EBITDA*	NM	162.2x	15.4x	6.3x	5.6x
Free Cash Flow Yield*	-0.3%	-0.1%	3.5%	11.3%	12.9%

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

Key Changes

(US$)	Previous	Current
Price Obj.	900.00	1,080.00
2026E Rev (m)	15,920.3	16,887.9
2027E Rev (m)	27,179.6	31,546.6
2028E Rev (m)	29,349.1	34,064.6
2026E EPS	40.70	45.42
2027E EPS	89.51	110.62
2028E EPS	101.97	124.97

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Stock Data

Price	919.47 USD
Price Objective	1,080.00 USD
Date Established	17-Apr-2026
Investment Opinion	C-1-9
52-Week Range	28.94 USD - 965.00 USD
Mrkt Val (mn) / Shares Out (mn)	141,036 USD / 153.4
Free Float	94.5%
Average Daily Value (mn)	16615.63 USD
BofA Ticker / Exchange	SNDK / NAS
Bloomberg / Reuters	SNDK US / SNDK.OQ
ROE (2026E)	55.7%
Net Dbt to Eqty (Jun-2025A)	4.0%

Abbreviations on page 5

iQprofile SM Sandisk Corporation

iQ**method* SM – **Bus Performance

(US$ Millions)	2024A	2025A	2026E	2027E	2028E
Return on Capital Employed	-2.4%	4.6%	49.8%	68.1%	45.0%
Return on Equity	0%	4.3%	55.7%	70.6%	45.7%
Operating Margin	-4.7%	9.4%	48.6%	64.1%	67.5%
Free Cash Flow	(475)	(119)	4,944	15,911	18,138

iQ**method* SM – **Quality of Earnings

(US$ Millions)	2024A	2025A	2026E	2027E	2028E
Cash Realization Ratio	NA	0.2x	0.8x	1.0x	1.0x
Asset Replacement Ratio	0.7x	1.2x	0.8x	0.8x	0.8x
Tax Rate	NM	24.1%	13.2%	13.5%	13.5%
Net Debt-to-Equity Ratio	-3.0%	4.0%	-26.8%	-60.6%	-72.0%
Interest Cover	NA	NA	NA	NA	NA

Income Statement Data (Jun)

(US$ Millions)	2024A	2025A	2026E	2027E	2028E
Sales	6,663	7,355	16,888	31,547	34,065
% Change	9.5%	10.4%	129.6%	86.8%	8.0%
Gross Profit	1,056	2,228	10,567	24,038	26,643
% Change	135.2%	111.0%	374.3%	127.5%	10.8%
EBITDA	(86)	846	8,913	21,654	24,521
% Change	84.9%	NM	953.5%	142.9%	13.2%
Net Interest & Other Income	(37)	(109)	(130)	(108)	(108)
Net Income (Adjusted)	**0**	**440**	**7,015**	**17,409**	**19,792**
% Change	**NA**	**NA**	**NM**	**148.2%**	**13.7%**

Free Cash Flow Data (Jun)

(US$ Millions)	2024A	2025A	2026E	2027E	2028E
Net Income from Cont Operations (GAAP)	(503)	440	7,015	17,409	19,791
Depreciation & Amortization	224	164	594	1,420	1,533
Change in Working Capital	(86)	(380)	(2,115)	(1,745)	(1,917)
Deferred Taxation Charge	(16)	(12)	(10)	0	0
Other Adjustments, Net	72	(127)	(47)	(68)	(78)
Capital Expenditure	(166)	(204)	(493)	(1,104)	(1,192)
Free Cash Flow	**-475**	**-119**	**4,944**	**15,911**	**18,138**
% Change	**49.0%**	**74.9%**	**NM**	**221.8%**	**14.0%**
Share / Issue Repurchase	0	5	24	0	0
Cost of Dividends Paid	0	0	0	0	0
Change in Debt	(258)	0	0	0	0

Balance Sheet Data (Jun)

(US$ Millions)	2024A	2025A	2026E	2027E	2028E
Cash & Equivalents	328	1,481	4,886	20,810	38,948
Trade Receivables	935	1,068	3,343	4,182	5,591
Other Current Assets	2,285	2,537	2,678	3,207	3,424
Property, Plant & Equipment	791	619	631	631	631
Other Non-Current Assets	9,167	7,280	7,139	6,746	6,494
Total Assets	**13,506**	**12,985**	**18,676**	**35,576**	**55,089**
Short-Term Debt	0	20	20	20	20
Other Current Liabilities	2,123	1,407	1,616	1,239	950
Long-Term Debt	0	1,829	583	583	583
Other Non-Current Liabilities	301	513	498	398	298
Total Liabilities	**2,424**	**3,769**	**2,717**	**2,240**	**1,851**
Total Equity	**11,082**	**9,216**	**15,959**	**33,336**	**53,238**
Total Equity & Liabilities	**13,506**	**12,985**	**18,676**	**35,576**	**55,089**

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

Company Sector

IT Hardware

Company Description

Sandisk (SNDK) is is a leading developer, manufacturer and provider of data storage devices and solutions based on NAND flash technology. SNDK has a growing solid state drive and storage systems portfolio, and is currently the third largest enterprise SSD manufacturer.

Investment Rationale

We rate SNDK Buy. We expect long-term growth in demand for data storage using NAND, mainly driven by generative AI & eSSD share gains / demand in the data center.

Stock Data

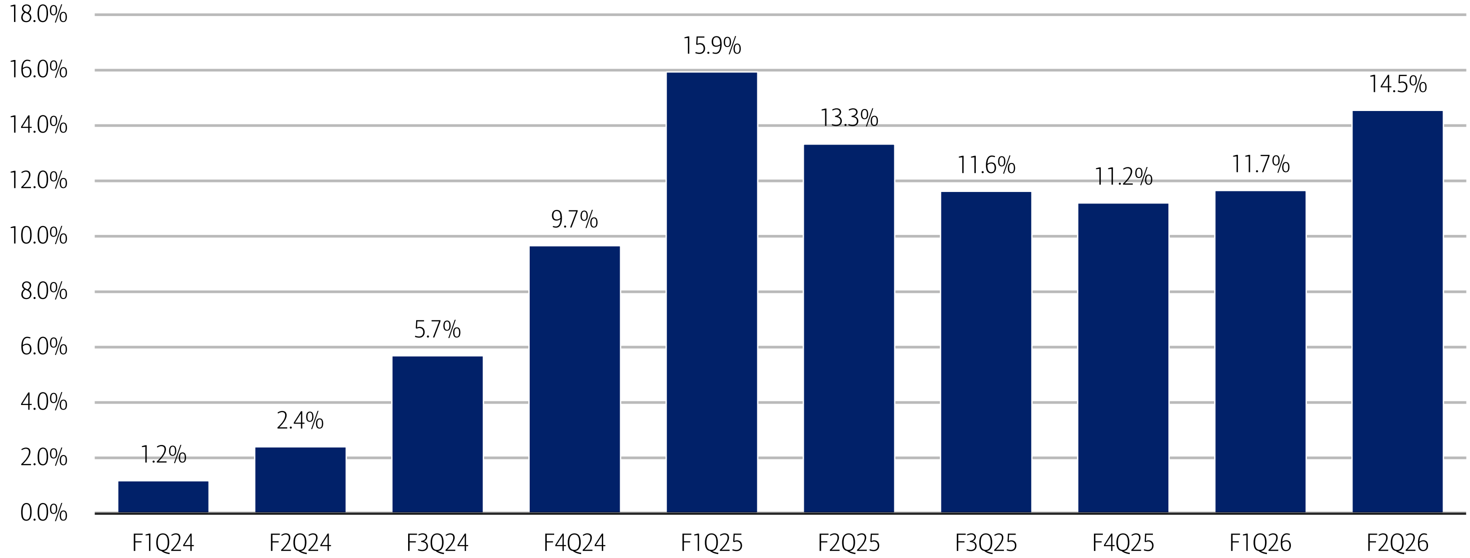
Average Daily Volume	18,070,880

Quarterly Earnings Estimates

	2025	2026
Q1	1.80A	1.22A
Q2	1.23A	6.20A
Q3	-0.30A	14.61E
Q4	0.29A	22.84E

Charts

Figure 1: Cloud/Datacenter as a percent of rev mix has grown from 1% to about 15%
Percent of quarterly reported revenue



Source: Company reports, BofA Global Research estimates

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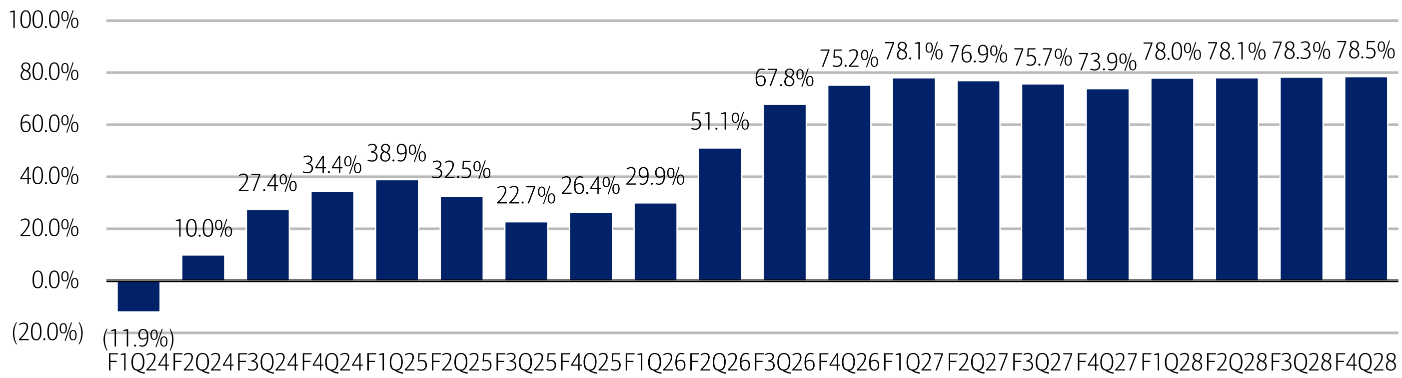
Figure 2: NAND pricing remains strong. We model gross margins trending higher from 51% in F2Q26 to 78.5% in F4Q28
This chart shows historical trend of SNDK gross margin and our forecast



Source: Company reports, BofA Global Research estimates

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BofA vs. Street estimates

Figure 3: Our estimates are higher vs. Street for both F3Q and F4Q26

Revenues in $mn

	3QFY-2026						4QFY-2026		
SNDK Preview Tables	BofA	Street	Delta	Guide	2QFY-2026	Chg Q/Q	BofA	Street	Delta
Revenue	$4,886	$4,693	$193	$4400 to $4800	$3,025	61.5%	$6,669	$6,340	$329
Cost of revenue - Operating	$1,573	$1,547	$26		$1,479	6.4%	$1,652	$1,676	-$24
Gross profit/(loss) - Operating	$3,313	$3,147	$165		$1,546	114.3%	$5,017	$4,715	$302
Research and development expense - Operating	$425	$339	$85		$269	57.9%	$566	$360	$207
Selling, general and administrative - Operating	$218	$161	$57		$144	51.3%	$284	$178	$106
Total operating expenses - Operating	$643	$500	$143	$450 to $470	$413	55.6%	$851	$537	$313
Operating income/(loss) - Operating	**$2,670**	**$2,670**	**$0**		**$1,133**	135.7%	**$4,167**	**$4,205**	**-$38**
EBITDA - Operating	**$2,890**	**$2,694**	**$196**		**$1,265**	128.4%	**$4,467**	**$4,195**	**$272**
Total interest and other income (expense), net - Operating	-$27	-$23	-$4	-$25 to -$30	-$34	-20.6%	-$27	-$24	-$3
Income/(loss) before taxes - Operating	$2,643	$2,647	-$4		$1,099	140.5%	$4,140	$4,180	-$41
Provision/(benefit) for income taxes - Operating	$357	$355	$1	$325 to $375	$132	170.3%	$559	$636	-$77
Net income/(loss) - Operating	**$2,286**	**$2,291**	**-$5**		**$967**	136.4%	**$3,581**	**$3,544**	**$37**
EPS - Diluted - Operating	**$14.61**	**$14.60**	**$0.01**	$12.00 to $14.00	**$6.20**	135.7%	**$22.84**	**$22.47**	**$0.38**

Source: Visible Alpha, BofA Global Research estimates

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Model

Figure 4: SNDK Income Statement – we model F26 revenues growing

Revenues in $mn

SanDisk Corp. (SNDK)

Wamsi Mohan *($ Millions Except Per Share Data)*	F2025				F2026E								
	9/24	12/24	3/25	6/25	9/25	12/25	3/26E	6/26E	F2024	F2025	F2026E	F2027E	F2028E
Total Revenue	**$1,883.0**	**$1,876.0**	**$1,695.0**	**$1,901.0**	**$2,308.0**	**$3,025.0**	**$4,885.8**	**$6,669.1**	**$6,663.0**	**$7,355.0**	**$16,887.9**	**$31,546.6**	**$34,064.6**
Cost of Revenue - Non-GAAP	1,151.0	1,267.0	1,310.0	1,399.0	1,617.0	1,479.0	1,573.2	1,651.8	5,607.0	5,127.0	6,321.0	7,508.2	7,421.7
Non-GAAP Gross Profit	**732.0**	**609.0**	**385.0**	**502.0**	**691.0**	**1,546.0**	**3,312.6**	**5,017.3**	**1,056.0**	**2,228.0**	**10,566.9**	**24,038.3**	**26,643.0**
Research and development - Non-GAAP	263.0	259.0	265.0	265.0	296.0	269.0	424.7	566.4	991.0	1,052.0	1,556.1	2,569.8	2,548.2
Selling, general and administrative - Non-GAAP	115.0	117.0	118.0	137.0	150.0	144.0	217.9	284.1	375.0	487.0	796.1	1,234.6	1,106.5
Other - Non-GAAP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total OpEx	378.0	376.0	383.0	402.0	446.0	413.0	642.6	850.5	1,366.0	1,539.0	2,352.1	3,804.4	3,654.6
Non-GAAP operating income (excl SBC)	**354.0**	**233.0**	**2.0**	**100.0**	**245.0**	**1,133.0**	**2,670.0**	**4,166.8**	**(310.0)**	**689.0**	**8,214.8**	**20,233.9**	**22,988.3**
Non-GAAP interest and other income (expense), net	(24.0)	(26.0)	(22.0)	(37.0)	(42.0)	(34.0)	(27.0)	(27.0)	(37.0)	(109.0)	(130.0)	(108.0)	(108.0)
Non-GAAP pretax income	330.0	207.0	(20.0)	63.0	203.0	1,099.0	2,643.0	4,139.8	(347.0)	580.0	8,084.8	20,125.9	22,880.3
Non-GAAP income tax expense	67.0	29.0	23.0	21.0	22.0	132.0	356.8	558.9	156.0	140.0	1,069.7	2,717.0	3,088.8
Non-GAAP net income (excl SBC)	**263.0**	**178.0**	**(43.0)**	**42.0**	**181.0**	**967.0**	**2,286.2**	**3,580.9**	**(503.0)**	**440.0**	**7,015.1**	**17,408.9**	**19,791.5**
Non-GAAP EPS	**$1.80**	**$1.23**	**($0.30)**	**$0.29**	**$1.22**	**$6.20**	**$14.61**	**$22.84**		**$3.02**	**$45.42**	**$110.62**	**$124.97**
Basic Weighted Average Shares	144.0	145.0	145.0	145.0	146.0	147.0	147.0	147.0	126.3	144.8	146.8	147.0	147.0
Diluted Weighted Average Shares	146.0	145.0	145.0	147.0	148.5	156.0	156.5	156.8	126.8	145.8	154.4	157.4	158.4
% of Revenues													
Non-GAAP Gross Profit	**38.9%**	**32.5%**	**22.7%**	**26.4%**	**29.9%**	**51.1%**	**67.8%**	**75.2%**	15.8%	30.3%	62.6%	76.2%	78.2%
Non-GAAP R&D	14.0%	13.8%	15.6%	13.9%	12.8%	8.9%	8.7%	8.5%	14.9%	14.3%	9.2%	8.1%	7.5%
Non-GAAP SG&A	6.1%	6.2%	7.0%	7.2%	6.5%	4.8%	4.5%	4.3%	5.6%	6.6%	4.7%	3.9%	3.2%
Non-GAAP operating income	**18.8%**	**12.4%**	**0.1%**	**5.3%**	**10.6%**	**37.5%**	**54.6%**	**62.5%**	**(4.7%)**	**9.4%**	**48.6%**	**64.1%**	**67.5%**
Non-GAAP pretax income	17.5%	11.0%	(1.2%)	3.3%	8.8%	36.3%	54.1%	62.1%	(5.2%)	7.9%	47.9%	63.8%	67.2%
Non-GAAP tax rate	20.3%	14.0%	(115.0%)	33.3%	10.8%	12.0%	13.5%	13.5%	(45.0%)	24.1%	13.2%	13.5%	13.5%
Non-GAAP net income	14.0%	9.5%	(2.5%)	2.2%	7.8%	32.0%	46.8%	53.7%	(7.5%)	6.0%	41.5%	55.2%	58.1%
Adjusted EBITDA													
Non-GAAP operating income	354.0	233.0	2.0	100.0	245.0	1133.0	2670.0	4166.8	-310.0	689.0	8214.8	20233.9	22988.3
Depreciation and amortization	54.0	36.0	37.0	37.0	36.0	38.0	219.9	300.1	224.0	164.0	594.0	1419.6	1532.9
Other Adjustments	0.0	-4.0	-2.0	-1.0	10.0	94.0	0.0	0.0	-1.0	-7.0	104.0	0.0	0.0
Adjusted EBITDA	**408.0**	**265.0**	**37.0**	**136.0**	**291.0**	**1265.0**	**2889.9**	**4466.9**	**-86.0**	**846.0**	**8912.8**	**21653.5**	**24521.2**
Adjusted EBITDA margin	21.7%	14.1%	2.2%	7.2%	12.6%	41.8%	59.1%	67.0%	-1.3%	11.5%	52.8%	68.6%	72.0%
Y/Y Growth													
Revenue	23%	13%	(1%)	8%	23%	61%	188%	251%	9%	10%	130%	87%	8%
Cost of Revenue - Non-GAAP	(33%)	(15%)	6%	21%	40%	17%	20%	18%	0%	0%	0%	0%	0%
Non-GAAP gross profit	(500%)	267%	(18%)	(17%)	(6%)	154%	760%	899%	135%	111%	374%	127%	11%
Non-GAAP R&D	18%	13%	3%	(6%)	13%	4%	60%	114%	(9%)	6%	48%	65%	(1%)
Non-GAAP SG&A	28%	23%	27%	41%	30%	23%	85%	107%	1%	30%	63%	55%	(10%)
Non-GAAP operating income	(172%)	(247%)	(98%)	(56%)	(31%)	386%	133400%	4067%	(70%)	(322%)	1092%	146%	14%
Non-GAAP pretax income	(166%)	(219%)	(119%)	(72%)	(38%)	431%	(13315%)	6471%	(65%)	(267%)	1294%	149%	14%
Non-GAAP net income	(151%)	(180%)	(152%)	(72%)	(31%)	443%	(5417%)	8426%	(60%)	(187%)	1494%	148%	14%
Non-GAAP EPS	(138%)	(160%)	(152%)	(72%)	(32%)	405%	(5026%)	7896%	NM	NM	1405%	144%	13%
Diluted Shares	36%	34%	0%	1%	2%	8%	8%	7%	19%	15%	6%	2%	1%

Source: Company reports, BofA Global Research estimates

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Price objective basis & risk

Sandisk Corporation (SNDK)

Our PO of $1080 is based on approximately 10x C27E EPS of $111.32 which is in line with SNDK's global memory peers' average due to similar profitability.

Upside risks: 1) we are earlier than expected in the NAND upcycle, 2) stronger than expected expansion in the NAND market on sales of AI enabled consumer products, 3) faster than expected eSSD market share gains, and 4) faster than expected recovery in NAND pricing.

Downside risks: 1) sharp drop in NAND prices due to oversupply, 2) Competition and over expansion from Chinese suppliers such as YMTC, 3) slower than expected adoption of AI enabled consumer products, and 4) share loss in eSSD market.

Analyst Certification

I, Wamsi Mohan, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

US - IT Hardware and Technology Supply Chain Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Amphenol	APH	APH US	Wamsi Mohan
	Apple Inc.	AAPL	AAPL US	Wamsi Mohan
	Celestica Inc.	CLS	CLS US	Ruplu Bhattacharya
	Celestica Inc.	YCLS	CLS CN	Ruplu Bhattacharya
	Corning Inc.	GLW	GLW US	Wamsi Mohan
	Dell Technologies Inc.	DELL	DELL US	Wamsi Mohan
	DigitalOcean	DOCN	DOCN US	Wamsi Mohan
	Flex Ltd.	FLEX	FLEX US	Ruplu Bhattacharya
	Hewlett-Packard Enterprise	HPE	HPE US	Wamsi Mohan
	Ingram Micro Holding Corporation	INGM	INGM US	Ruplu Bhattacharya
	International Business Machines Corp.	IBM	IBM US	Wamsi Mohan
	Jabil Inc.	JBL	JBL US	Ruplu Bhattacharya
	Nutanix Inc	NTNX	NTNX US	Wamsi Mohan
	Sandisk Corporation	SNDK	SNDK US	Wamsi Mohan
	Seagate Technology	STX	STX US	Wamsi Mohan
	TD Synnex Corp	SNX	SNX US	Ruplu Bhattacharya
	TE Connectivity Plc.	TEL	TEL US	Wamsi Mohan
	Western Digital Corporation	WDC	WDC US	Wamsi Mohan
NEUTRAL				
	CDW Corp	CDW	CDW US	Ruplu Bhattacharya
	Concentrix Corporation	CNXC	CNXC US	Ruplu Bhattacharya
	Enovix Corporation	ENVX	ENVX US	Ruplu Bhattacharya
	NetApp Inc.	NTAP	NTAP US	Wamsi Mohan
	Pure Storage	PSTG	PSTG US	Wamsi Mohan
	Sanmina Corporation	SANM	SANM US	Ruplu Bhattacharya
	Sensata Technologies Holdings Plc	ST	ST US	Wamsi Mohan
UNDERPERFORM				
	Arrow Electronics Inc.	ARW	ARW US	Ruplu Bhattacharya
	Avnet Inc.	AVT	AVT US	Ruplu Bhattacharya
	HP Inc.	HPQ	HPQ US	Wamsi Mohan
	Super Micro Computer Inc.	SMCI	SMCI US	Ruplu Bhattacharya
	Teradata Corporation	TDC	TDC US	Wamsi Mohan
	Vishay Intertechnology, Inc.	VSH	VSH US	Ruplu Bhattacharya

*iQ*method℠ Measures Definitions

Business Performance	Numerator	Denominator
Return On Capital Employed	NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization	Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill Amortization
Return On Equity	Net Income	Shareholders' Equity
Operating Margin	Operating Profit	Sales
Earnings Growth	Expected 5 Year CAGR From Latest Actual	N/A
Free Cash Flow	Cash Flow From Operations – Total Capex	N/A

Quality of Earnings	Numerator	Denominator
Cash Realization Ratio	Cash Flow From Operations	Net Income
Asset Replacement Ratio	Capex	Depreciation
Tax Rate	Tax Charge	Pre-Tax Income
Net Debt-To-Equity Ratio	Net Debt = Total Debt – Cash & Equivalents	Total Equity
Interest Cover	EBIT	Interest Expense

Valuation Toolkit	Numerator	Denominator
Price / Earnings Ratio	Current Share Price	Diluted Earnings Per Share (Basis As Specified)
Price / Book Value	Current Share Price	Shareholders' Equity / Current Basic Shares
Dividend Yield	Annualised Declared Cash Dividend	Current Share Price
Free Cash Flow Yield	Cash Flow From Operations – Total Capex	Market Cap = Current Share Price × Current Basic Shares
Enterprise Value / Sales	EV = Current Share Price × Current Shares + Minority Equity + Net Debt + Other LT Liabilities	Sales
EV / EBITDA	Enterprise Value	Basic EBIT + Depreciation + Amortization

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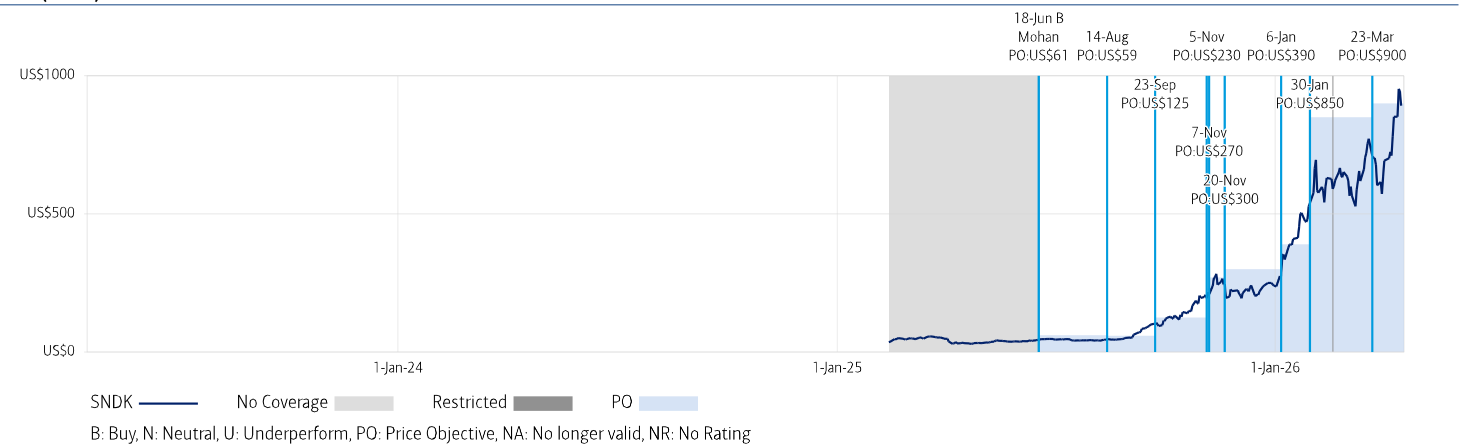
Sandisk (SNDK) Price Chart



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

Equity Investment Rating Distribution: Technology Group (as of 31 Mar 2026)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	234	58.50%	Buy	123	52.56%
Hold	90	22.50%	Hold	43	47.78%
Sell	76	19.00%	Sell	23	30.26%

Equity Investment Rating Distribution: Global Group (as of 31 Mar 2026)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	1993	55.76%	Buy	1186	59.51%
Hold	821	22.97%	Hold	509	62.00%
Sell	760	21.26%	Sell	400	52.63%

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

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

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

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