01 Jun 2026 17:38:04 ET | 21 pages

Meituan (3690.HK)

2Q26 CLC & Group to Resume Profitable; 2H26 Trend Remains Dynamic

CITI'S TAKE

Following better than expected 1Q26 print amid improving competitive landscape and rationalized subsidies, together with seasonal tail winds, Meituan expects food delivery UE to resume breakeven in 2Q26. Along with stable in-store margin, Core Local Commerce (CLC) will return to profitability in 2Q26, ahead of our previous forecast. Nevertheless, management remains cautious about the 2H26 profitability trend, citing headwinds from a high base that will likely lead to negative order volume growth, and a competitive landscape that could remain dynamic. That said, Keeta's improving operational efficiency, along with its disciplined focus on profitability over new market expansion, should ensure that operating losses for new initiatives remain manageable. Post estimates revision, our TP is raised to HK$113 (from HK$110). Maintain Buy/1H and believe the worst of the competitive intensity is over, which will allow Meituan to focus on driving AI adoption and product enhancement while navigating macroeconomic and competitive dynamics.

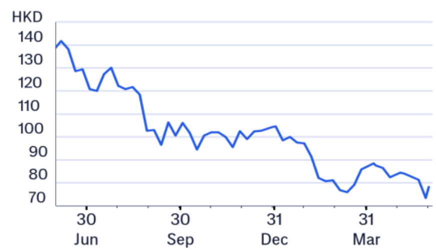
Buy / High Risk	
Price (01 Jun 26 16:10)	HK$78.25
Target price	HK$113.00↑
from HK$110.00	
Expected share price return	44.4%
Expected dividend yield	0.0%
Expected total return	44.4%
Market Cap	HK$477,420M
	US$60,935M

Food delivery/quick commerce landscape - As competition in food delivery becomes more rational, Meituan shifts focus to fundamentals like operational efficiency and user experience. Mgmt observes continued user growth, despite pulling back subsidies. UE in 2Q26 will further improve on the back of seasonality tailwind. Into 2H26, order volume will face high base though mgmt sounded positive on achieving long-term order volume and UE target. We model order volume/GTV/revs yoy growth for 2Q26 at +2.5%/-0.6%/+1.5% with UE of Rmb0.01.

CLC and Op positive in 2Q26 – We forecast 2Q26 total revs to +10.7% yoy to Rmb101.65bn with CLC/New Initiatives +5.7%/+23% yoy to Rmb69.1bn/Rmb32.6bn and CLC Op turns profitable at Rmb3.2bn while Op loss for New Initiatives at Rmb2.3bn and group adj. OP/NP at Rmb893mn/Rmb633mn.

In-store margin and competitive landscape – Mgmt noted that its in-store business is resilient against competitive pressures due to foundational strengths that cannot be replicated by traffic alone. Mgmt expects in-store margins to remain stable in the near term, with room to recover over the long term. **Keeta update-** Despite NT growth fluctuations in the Middle East due to geopolitical complexities, mgmt remains committed in the region given its growth potential. The strategy for 2026 is to prioritize operational efficiency, with any market expansions to be pushed out and be pursued with greater financial discipline.

Price Performance
(RIC: 3690.HK, BB: 3690 HK)



Alicia Yap, CFA AC
+852-2501-2773
alicia.yap@citi.com

Nelson Cheung
nelson.cheung@citi.com

Vicky Wei, CFA
vicky.wei@citi.com

Earnings Summary

Year to 31 Dec	Net Profit (RmbM)	Diluted EPS (Rmb)	EPS growth (%)	P/E (x)	P/B (x)	ROE (%)	Yield (%)
2024A	43,771	7.031	90.5	9.7	2.3	27.0	na
2025A	-18,649	-3.069	-143.6	na	2.7	-11.5	na
2026E	-4,432	-0.737	76.0	na	2.7	-2.9	na
2027E	20,255	3.342	553.3	20.3	2.4	12.5	na
2028E	35,190	5.759	72.4	11.8	2.0	18.5	na

Source: Powered by dataCentral

See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliations.

3690.HK: Fiscal year end 31-Dec

Price: HK$78.25; TP: HK$113.00; Market Cap: HK$477,420m; Recomm: Buy/High Risk

Profit & Loss (Rmbm)	2024	2025	2026E	2027E	2028E
Sales revenue	337,592	365,556	405,132	450,587	499,744
Cost of sales	-207,807	-253,846	-278,040	-298,906	-327,804
Gross profit	129,785	111,710	127,092	151,681	171,940
Gross Margin (%)	38.4	30.6	31.4	33.7	34.4
EBITDA (Adj)	**49,336**	**-14,511**	**7,025**	**34,442**	**51,763**
EBITDA Margin (Adj) (%)	14.6	-4.0	1.7	7.6	10.4
Depreciation	-8,421	-10,199	-10,505	-10,820	-11,145
Amortisation	0	0	0	0	0
EBIT (Adj)	**45,142**	**-16,986**	**-3,827**	**20,961**	**37,834**
EBIT Margin (Adj) (%)	13.4	-4.6	-0.9	4.7	7.6
Net interest	-45	125	-345	400	400
Associates	0	0	0	0	0
Non-Op/Except/Other Adj	-7,111	-7,976	-6,095	-3,974	-4,361
Pre-tax profit	**37,985**	**-24,838**	**-10,267**	**17,387**	**33,872**
Tax	-2,177	1,483	823	-2,173	-4,234
Extraord./Min.Int./Pref.div.	-1	-1	-1	-1	-1
Reported net profit	**35,807**	**-23,355**	**-9,444**	**15,213**	**29,638**
Net Margin (%)	10.6	-6.4	-2.3	3.4	5.9
Core NPAT	43,771	-18,649	-4,432	20,255	35,190
Per share data	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Reported EPS (Rmb)	5.752	-3.843	-1.571	2.510	4.851
Core EPS (Rmb)	7.031	-3.069	-0.737	3.342	5.759
DPS (Rmb)	0	0	0	0	0
CFPS (Rmb)	9.228	-2.244	1.976	6.889	9.961
FCFPS (Rmb)	7.462	-4.427	-1.729	2.800	5.463
BVPS (Rmb)	29.372	25.446	25.446	28.831	34.712
Wtd avg ord shares (m)	6,125	6,077	5,966	6,014	6,062
Wtd avg diluted shares (m)	6,226	6,077	6,013	6,061	6,110
Growth rates	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Sales revenue (%)	22.0	8.3	10.8	11.2	10.9
EBIT (Adj) (%)	143.6	-137.6	77.5	647.8	80.5
Core NPAT (%)	88.2	-142.6	76.2	557.0	73.7
Core EPS (%)	90.5	-143.6	76.0	553.3	72.4
Balance Sheet (Rmbm)	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Cash & cash equiv.	187,793	188,465	209,077	223,546	254,267
Accounts receivables	2,653	3,323	3,108	3,333	3,697
Inventory	1,734	3,013	3,047	3,276	3,592
Net fixed & other tangibles	46,813	49,206	61,806	72,783	83,983
Goodwill & intangibles	30,230	30,221	30,341	30,489	30,668
Financial & other assets	55,131	72,683	69,437	72,420	75,273
Total assets	**324,355**	**346,910**	**376,815**	**405,846**	**451,480**
Accounts payable	25,193	34,572	34,279	36,851	40,414
Short-term debt	1	3,468	5,381	5,381	5,381
Long-term debt	1,175	18,789	42,687	42,687	42,687
Provisions & other liab	125,382	139,094	142,268	148,471	155,351
Total liabilities	**151,751**	**195,922**	**224,614**	**233,391**	**243,833**
Shareholders' equity	172,663	151,046	152,258	172,512	207,703
Minority interests	-59	-58	-57	-57	-56
Total equity	**172,604**	**150,988**	**152,200**	**172,456**	**207,647**
Net debt (Adj)	**-186,617**	**-166,208**	**-161,009**	**-175,478**	**-206,200**
Net debt to equity (Adj) (%)	-108.1	-110.1	-105.8	-101.8	-99.3

Valuation ratios	2024	2025	2026E	2027E	2028E
PE (x)	9.7	-22.1	-92.1	20.3	11.8
PB (x)	2.3	2.7	2.7	2.4	2.0
EV/EBITDA (x)	4.3	-13.6	29.7	5.9	3.5
FCF yield (%)	11.0	-6.5	-2.5	4.1	8.0
Dividend yield (%)	na	na	na	na	na
Payout ratio (%)	0	0	0	0	0
ROE (%)	22.1	-14.4	-6.2	9.4	15.6
Cashflow (Rmbm)	**2024**	**2025**	**2026E**	**2027E**	**2028E**
EBITDA	45,266	-14,842	635	27,207	44,017
Working capital	6,466	-1,056	3,833	6,484	8,083
Other	5,722	2,263	7,416	8,064	8,764
Operating cashflow	**57,454**	**-13,635**	**11,884**	**41,756**	**60,864**
Capex	-10,999	-13,271	-22,282	-24,782	-27,486
Net acq/disposals	16,847	39,954	-8,669	-12,956	-18,682
Other	4,358	3,089	0	0	0
Investing cashflow	**10,205**	**29,773**	**-30,951**	**-37,738**	**-46,167**
Dividends paid	0	0	0	0	0
Financing cashflow	**-4,606**	**32,327**	**31,829**	**0**	**0**
Net change in cash	**63,610**	**47,202**	**12,762**	**4,018**	**14,697**
Free cashflow to s/holders	**46,454**	**-26,906**	**-10,399**	**16,973**	**33,378**

For definitions of the items in this table, please click here.

Takeaways From 1Q26 Earnings Call

1Q26 top & bottom-line beat

Meituan posted better-than-expected 1Q26 results with total revenues of Rmb91.04bn (+5.6% yoy and -1.1% qoq), slightly beating Citi/consensus of Rmb90.63bn/Rmb90.80bn.

- **Core local commerce** revenue increased 0.1% yoy to Rmb64.06bn, vs our Rmb63.9bn, CLC segment OP loss narrowed to Rmb2.03bn (or -3.2% margin), better than our estimate of Rmb-4.56bn and VisibleAlpha consensus estimate of Rmb-4.38bn.
  - Specifically, delivery services revenues declined 2.9% yoy to Rmb25.0bn (27.5% of total revenues).
  - OP loss of core local commerce improved significantly sequentially to Rmb-2.03bn from Rmb-10bn in 4Q25 and compared to profit of Rmb+13.5bn in 1Q25, and OpM improving to -3.2% vs -15.5% in 4Q25 and +21% in 1Q25.
- **New initiatives:** Revenues +21.3% yoy to Rmb26.98bn, in line with our Rmb26.7bn, with operating loss at Rmb2.12bn, better than our -Rmb2.6bn. Op loss for new initiatives reached Rmb-2.12bn vs. Rmb-4.65bn in 4Q25 and -Rmb2.27bn in 1Q25, with loss margin at -7.8%, vs. -17% in 4Q25 and -10.2% in 1Q25.

Group adjusted net loss was Rmb4.97bn, better than our -Rmb6.50bn and consensus' -Rmb6.83bn, adj. NM was -5.5% in 1Q26 vs. -16.4% in 4Q25 and +12.6% in 1Q25. Group adj. EBITDA reached Rmb-3.05bn or margin of -3.3% in 1Q26 vs. our estimate of -4.9% margin.

Comment on food delivery competitive environment

With food delivery competitive landscape getting more rational, management expects competition to shift back to fundamentals including operational efficiency and user experience. Despite Meituan gradually pull back subsidies, management still sees continued user growth and stronger engagement from core users, including solidification of leadership in mid-to-high AOV of food delivery segment.

With strengthening op efficiency, management expects a meaningful UE improvement in 2Q26 vs. 1Q26 if competition stays more rational due to seasonal tailwind which also widens UE gap vs. key competitors.

In terms of UE outlook into 2H26E, it will still depend on how the competition environment evolves while management also expects delivery costs per order to become seasonally higher in 3Q and 4Q compared to 2Q. Management also expects a negative yoy growth in order volume in 2H26E due to high base last year despite a healthier order mix as consumers increasingly becoming more willing to pay for quality driving a more resilient GTV growth vs. order volume growth.

In the long term, management believes the food delivery segment has become high frequency necessities for broader demographical structural shift providing sustained momentum for deepening market penetration over time. Overall, management expects high growth potential in purchase frequency and retention for new users driven by superior services, while volume acceleration driven solely by subsidy may prove not to be sustainable.

Competition in in-store business

Regarding competitive pressure in the in-store business, management noted it is a business built on physical-world fulfillment and consumer trust. In local services, Meituan has built strengths that cannot be replicated purely through traffic. Meituan's moats include 1) Meituan's brand and strong consumer mindshare for finding stores and deals, supported by a trustworthy information and review system; and 2) continued innovation across the entire value chain to build a better user experience. While competition has created some near-term noise, management believes market players must continue to differentiate across categories, merchant segments, and market scenarios.

Management said in-store revenue continues to grow steadily and that the company will continue to lead in core categories. Meituan has also expanded into new service retail verticals and deepened its reach in lower-tier markets. Its investment strategy will adapt dynamically to industry conditions, with the primary focus always being the long-term healthy development of the industry.

For this year, management will focus on two priorities: strengthening Meituan's competitive edge in core categories and building better digital infrastructure for local service merchants. Management expects in-store margins to remain stable in the near term, with room to recover over the long term. Meituan remains patient and confident in continuing to lead the evolution of the local services sector.

Hotel & travel business updates

Management commented that Meituan will fully capture opportunities brought by new regulatory environment. First, Meituan will further solidify its core market leadership in the lower-star hotel sector. Second, it will continue to expand its footprint in mid-to-high-end hotels, deepen strategic partnerships with merchants, enrich offerings, and strengthen ecosystem synergies. Meituan will also continue to leverage its membership program to deliver targeted services to high-value users and drive further progress in the high-star hotel segment.

- Consumer preferences have increasingly shifted toward value-for-money options, off-peak travel, lower-tier cities, local leisure, and short-distance getaways.

- Meituan continues to deepen its presence across the hotel industry supply chain. For high-star hotels, amid an evolving regulatory environment, Meituan continues to expand its high-star hotel portfolio to enrich accommodation choices for consumers. Meituan also partners with selected hotel merchants to offer exclusive pre-sale products for leisure travelers, providing exclusive benefits, unique experiences, and one-stop high-quality vacation services. Management remains focused on strengthening the membership ecosystem. Meituan has increased cross-selling between accommodation and other businesses, providing high-tier Meituan members with benefits. Meituan continues to promote joint membership programs with global high-end hotel brands, as well as exclusive membership benefits through partnerships.

- Looking ahead, the recent increase in airline fuel surcharges may create near-term volatility for the hotel and travel industry. Long-distance travel and high-star hotels are likely to face headwinds, while short-distance leisure travel, local accommodation, and lower-star hotels should remain resilient. Meituan's structural advantages in these resilient areas position it well to navigate the current market cycle, per management.

Comment on grocery retail

Management will continue to focus on acquiring best supply on its platform for average consumers with high reliability and predictability regardless of 1P or 3P operation model. Management expects future growth of grocery retail will likely be driven by a hybrid model in 3P and 1P operations that provide consistent, high-quality supplies with very competitive pricing.

On operational side, Xiaoxiang Supermarket has delivered robust growth in 2025 – significantly outperforming the whole industry. This momentum has continued into 1Q26 with accelerated expansion in 55 cities by end of 1Q26 with plans to enter more markets in coming quarters.

While Xiaoxiang started with an online dark store model, it has opened the first physical store in Beijing in last Dec, with second physical stores opened in Ningbo in Apr. Management believes these physical stores can broaden Xiaoxiang's user reach and allow consumers or potential consumers to navigate its high-quality physical goods.

Looking ahead, management is confident of Xiaoxiang becoming one of the leading players in grocery retail and targets a sustainable low single-digit profit margin in the long term.

Keeta progress & new initiatives loss in 2026E

Management shared that in the Middle East, they have seen near-term fluctuations in growth metrics with manageable impact so far, and long-term conviction for the market remains unchanged. Management believes the Middle East market still represents one of the fastest- growing food delivery markets globally with low penetration right now and strong consumer willingness to pay. Management will continue to navigate geopolitical complexity by sharpening its risk management and building an organizational framework that is better suited for global operations.

Following HK's UE breakeven in 4Q25, Keeta further gained efficiency in both HK and Saudi Arabia in 1Q26. Management also observed efficiency ramp-up in other Middle East markets and Brazil thanks to Keeta's operational experience. Management will focus on operational improvement this year over new market expansion, while remaining confident to deliver both scale and bottom-line growth in the long term. Management will still explore market expansion opportunities thoughtfully and will be more financially disciplined.

With the additional revs disclosure this quarter, we reconcile Keeta likely to have generated revs of Rmb3bn in 1Q26.

Latest AI development

Meituan has recently placed its AI assistant Xiaotuan in the front-end center of Meituan app for easier access. Management highlighted that its implementation of AI strategy is still in a very early stage with good initial results. More users have come for simple and short searches with more complex use cases to be explored.

Meituan's AI capabilities include to understand the full context and provide users with personalized recommendation based on price range, locations and others. During Labor Day holiday, Xiaotuan has seen meaningful pickup in fashion volume compared to Chinese New Year. Users of Xiaotuan weren't just coming to redeem coupons but also using shorter time to discover service destination and make purchase decisions more promptly.

Beyond Xiaotuan, management also embeds AI deeper into specific verticals such as Xiaotuan health assistant which is built from years of proprietary real world data on the Meituan platform.

Looking ahead, Xiaotuan will become one of its key AI products on consumer side and management will continue to deepen the integration of user-agent interactions and deploy task execution progressively across business verticals.

Management also shared that the partnership between Xiaomei from Meituan and Yuanbao from Tencent will be launching soon.

Estimate Revisions

We adjusted 2026-28E total revs by -0.8%, -1.1% and -0.1% and forecast non-GAAP net loss of -Rmb4.43bn in 2026 and non-GAAP net profit of Rmb20.3bn in 2027 and Rmb35.2bn in 2028.

We model CLC to resume profitability in 2Q26 and food delivery at breakeven in 2Q26 before 2H seasonality that weigh on profitability. We forecast new initiatives loss to amount to Rmb9.5bn in 2026.

Figure 1. Meituan – Estimate Revisions

2Q26E	102,114	101,650	*-0.5%*	(3,763)	633	*116.8%*	(0.63)	0.11	*116.8%*
3Q26E	108,930	107,386	*-1.4%*	(902)	(186)	*79.4%*	(0.15)	(0.03)	*79.4%*
2026E	**408,533**	**405,132**	***-0.8%***	**(11,740)**	**(4,432)**	***62.2%***	**(1.95)**	**(0.74)**	***62.2%***
2027E	**455,698**	**450,587**	***-1.1%***	**20,919**	**20,255**	***-3.2%***	**3.45**	**3.34**	***-3.2%***
2028E	**500,111**	**499,744**	***-0.1%***	**31,838**	**35,190**	***10.5%***	**5.21**	**5.76**	***10.5%***

Source: Citi Research Estimates

Figure 2. Meituan – Revenue and Profit Revisions

	2Q26E			3Q26E			2026E			2027E			2028E		
Rmb (mn)	Old	New	% Chg	Old	New	% Chg	Old	New	% Chg	Old	New	% Chg	Old	New	% Chg
Core local commerce															
Revenue	70,962	69,100	-2.6%	76,019	73,611	-3.2%	285,482	278,720	-2.4%	316,325	303,875	-3.9%	345,409	333,580	-3.4%
yoy growth rate %	8.6%	5.7%		13.4%	9.8%		9.2%	6.6%		10.8%	9.0%		9.2%	9.8%	
as % of total revenue	69.5%	68.0%		69.8%	68.5%		69.9%	68.8%		69.4%	67.4%		69.1%	66.8%	
Operating profit	-1,561	3,221	306.3%	1,525	2,230	NM	-2,660	5,665	313.0%	30,569	26,369	-13.7%	39,871	39,974	0.3%
yoy growth rate %	NM	NM		NM	NM		NM	NM		NM	NM		NM	NM	
operating margin	-2.2%	4.7%	6.9%	2.0%	3.0%	1.0%	-0.9%	2.0%	3.0%	9.7%	8.7%	-1.0%	11.5%	12.0%	0.4%
Food delivery															
GTV (Rmb bn)	307.8	292.7	-4.9%	325.2	314.9	-3.2%	1,219.3	1,180.3	-3.2%	1,289.8	1,230.0	-4.6%	1,358.0	1,288.9	-5.1%
yoy growth rate %	4.5%	-0.6%		-0.2%	-3.4%		3.4%	0.1%		5.8%	4.2%		5.3%	4.8%	
Transaction volume	68.38	68.7	0.5%	72.77	70.5	-3.2%	67.76	66.4	-2.0%	71.82	69.4	-3.4%	75.77	72.8	-3.9%
yoy growth rate %	2.0%	2.5%		-5.0%	-8.0%		0.4%	-1.6%		6.0%	4.4%		5.5%	5.0%	
Revenue	43,100	40,948	-5.0%	45,757	44,016	-3.8%	171,777	165,785	-3.5%	184,928	175,770	-5.0%	197,024	186,575	-5.3%
yoy growth rate %	6.8%	1.5%		11.8%	7.6%		6.1%	2.4%		7.7%	6.0%		6.5%	6.1%	
monetization rate	14.0%	14.0%	0.0%	14.1%	14.0%	-0.1%	14.1%	14.0%	0.0%	14.3%	14.3%	0.0%	14.5%	14.5%	0.0%
Operating profit	-6,124	89	NM	-3,486	-1,286	NM	-20,597	-7,562	NM	7,568	8,259	NM	12,768	13,910	8.9%
yoy growth rate %	458%	-108.1%		-80%	-92.6%		-10.8%	-67.2%		-136.7%	-209.2%		68.7%	68.4%	
operating margin	-14.2%	0.2%	14.4%	-7.6%	-2.9%	4.7%	-12.0%	-4.6%	7.4%	4.1%	4.7%	0.6%	6.5%	7.5%	1.0%
Profit per order (Rmb)	-0.98	0.01	NM	-0.52	-0.20	NM	-0.83	-0.31	NM	0.29	0.33	NM	0.46	0.52	13.3%
In-store, hotel and travel															
Revenue	18,838	19,017	1.0%	19,501	18,834	-3.4%	73,528	72,600	-1.3%	82,622	78,967	-4.4%	92,693	89,492	-3.5%
yoy growth rate %	7.4%	8.4%		12.9%	9.0%		10.4%	9.0%		12.4%	8.8%		12.2%	13.3%	
Operating profit	4,853	4,825	-0.6%	5,141	4,666	-9.2%	19,054	18,240	-4.3%	23,160	21,606	-6.7%	26,870	27,917	3.9%
yoy growth rate %	-8%	-8.5%		8%	-2.4%		-1.5%	-5.7%		21.5%	18.5%		16.0%	29.2%	
operating margin	25.8%	25.4%	-0.4%	26.4%	24.8%	-1.6%	25.9%	25.1%	-0.8%	28.0%	27.4%	-0.7%	29.0%	31.2%	2.2%
New initiatives and others															
Revenue	31,152	32,550	4.5%	32,911	33,776	2.6%	123,051	126,412	2.7%	139,373	146,712	5.3%	154,702	166,164	7.4%
yoy growth rate %	17.6%	22.9%		17.4%	20.4%		18.3%	21.5%		13.3%	16.1%		11.0%	13.3%	
as % of total revenue	30.5%	32.0%		30.2%	31.5%		30.1%	31.2%		30.6%	32.6%		30.9%	33.2%	
Operating profit (loss)	-2,411	-2,328	3.4%	-2,226	-2,674	NM	-9,538	-9,492	0.5%	-5,864	-5,408	NM	-2,925	-2,140	NM
yoy growth rate %	na	na		na	na		na	na		na	na		na	na	
operating margin	-7.7%	-7.2%	0.6%	-6.8%	-7.9%	-1.2%	-7.8%	-7.5%	0.2%	-4.2%	-3.7%	0.5%	-1.9%	-1.3%	0.6%
Consolidated															
Total revenues	102,114	101,650	-0.5%	108,930	107,386	-1.4%	408,533	405,132	-0.8%	455,698	450,587	-1.1%	500,111	499,744	-0.1%
yoy growth rate %	11.2%	10.7%		14.6%	13.0%		11.8%	10.8%		11.5%	11.2%		9.7%	10.9%	
Gross profit	33,121	34,068	2.9%	35,109	33,665	-4.1%	131,501	127,092	-3.4%	160,061	151,681	-5.2%	179,081	171,940	-4.0%
yoy growth rate %	7.9%	11.2%		44.2%	37.7%		17.4%	13.0%		21.8%	19.1%		11.7%	13.0%	
gross margin	32.4%	33.5%	1.1%	32.2%	31.3%	-0.9%	32.2%	31.4%	-0.8%	35.1%	33.7%	-1.5%	35.8%	34.4%	-1.4%
Adjusted operating profit (loss)	-3,972	893	122.5%	-701	-444	NM	-12,199	-3,827	68.6%	24,705	20,961	NM	36,947	37,834	2.4%
yoy growth rate %	-316%	-51.5%		-95%	-97.1%		-28%	-77.5%		-303%	-647.8%		50%	80.5%	
operating margin	-3.9%	0.9%	4.8%	-0.6%	-0.4%	0.2%	-3.0%	-0.9%	2.0%	5.4%	4.7%	-0.8%	7.4%	7.6%	0.2%
Adjusted net profit (loss)	-3,763	633	116.8%	-902	-186	NM	-11,740	-4,432	62.2%	20,919	20,255	NM	31,838	35,190	10.5%
yoy growth rate %	-352%	-57.6%		-94%	-98.8%		-37%	-76%		-278%	-557.0%		52%	73.7%	
net margin	-3.7%	0.6%	4.3%	-0.8%	-0.2%	0.7%	-2.9%	-1.1%	1.8%	4.6%	4.5%	-0.1%	6.4%	7.0%	0.7%
Adjusted EBITDA	-1,226	4,395	458.4%	2,056	2,881	NM	-1,171	8,119	793.1%	36,188	34,442	NM	48,878	51,763	5.9%
yoy growth rate %	-144%	58.0%		-114%	-119.4%		na	na		-3189.6%	390.3%		na	na	
adjusted EBITDA margin	-1.2%	4.3%	5.5%	1.9%	2.7%	0.8%	-0.3%	2.0%	2.3%	7.9%	7.6%	-0.3%	9.8%	10.4%	0.6%

Source: Citi Research Estimates

Raise TP to HK$113 and maintain Buy/High Risk

Our new SOTP values Meituan at HK$679bn (~US$87bn) or HK$113 per share, based on: 1) 1.4x 2026E revenues for the food delivery and Meituan Instashopping business, 2) 8x 2026E adjusted net profit for in-store and travel related business; 3) 1.0x 2026E revenues from new initiatives ex-grocery retail; 4) 1.0x P/S to 2026E total grocery retail revs, and 5) net cash balance for 1Q26.

- **On-demand delivery business** — We forecast food delivery revenues to reach Rmb166bn in 2026E while revenues for Meituan Instashopping and others to reach Rmb40bn in 2026E. Applying multiple of 1.4x (unchanged) P/S to Meituan's combined food delivery and Meituan Instashopping business yields a total value of HK$310bn (US$39.8bn) or ~HK$52 per share. The 1.4x multiple reflects ~33% discount to peer average under intensified competitive landscape currently.

- **In-store hotel and travel** — We forecast in-store, hotel and travel revenues to reach Rmb72.6bn in 2026E. Applying 8x (unchanged) to our adjusted net profit of Rmb16.8bn yields a value of HK$150bn (US$19.2bn) or HK$24.87 per share. We believe 8x is reasonable considering uncertainty of competition from Douyin.

- **Core local commerce** – Since core local commerce consist of food delivery, Meituan Instashopping, in-store and travel-related business, this yields a value of Rmb460bn (US$59bn) or HK$76.44 per share.

- **New initiatives excluding grocery retail** – We model revs for New initiatives excluding grocery retail to reach Rmb48.3bn in 2026E, apply 1.0x (unchanged) P/S will result to HK$53.8bn (US$6.9bn) or HK$8.95 per share. Our 1.0x multiple reflects successful execution proven in Hong Kong and Saudi Arabia with improving margin trajectory for Keeta in overseas.

- **Grocery retail (including Meituan Select)** – We forecast total grocery retail revs to reach Rmb78.1bn in 2026E, applying 1.0x P/S (unchanged) will result to HK$87.0bn (US$11.2bn) or HK$14.47 per share.

- **New initiatives** – Combining grocery retail with other new initiatives, this yields a value of HK$140.9bn (US$18.1bn) or HK$23.4 per share. We did not give a separate valuation for Keeta.

- **Cash balance** — We include cash, cash equivalent and short-term investment but exclude restricted cash. We use 1Q26 actual net cash balance here.

- **SOTP** — Adding together, our SOTP valuation for Meituan comes to HK$113 per share.

Following better than expected 1Q26 print amid improving competitive landscape and rationalized subsidies, together with seasonal tail winds, Meituan expects food delivery UE to resume breakeven in 2Q26. Along with stable in-store margin, Core Local Commerce (CLC) will return to profitability in 2Q26, ahead of our previous forecast. Nevertheless, management remains cautious about the 2H26 profitability trend, citing headwinds from a high base that will likely lead to negative order volume growth, and a competitive landscape that could remain dynamic. That said, Keeta's improving operational efficiency, along with its disciplined focus on profitability over new market expansion, should ensure that operating losses for new initiatives remain manageable.

Post estimates revision, our TP is raised to HK$113 (from HK$110). Maintain Buy/1H and believe the worst of the competitive intensity is over, which will allow Meituan to focus on driving AI adoption and product enhancement while navigating macroeconomic and competitive dynamics

Figure 3. Meituan SOTP valuation

	2024A	2025E	2026E
Core local commerce			
Revenues (Rmb mn)	**250,247.5**	**261,527.3**	**278,719.9**
Food delivery	166,261.8	161,850.9	165,784.7
Meituan Instashopping and others	25,214.1	33,075.6	40,335.0
In-store, hotel and travel	58,771.6	66,600.8	72,600.2
Operating profit (Rmb mn)	**52,415.2**	**(6,904.1)**	**5,665.3**
Food delivery	32,424.0	(23,088.1)	(7,561.8)
Meituan Instashopping and others	803.5	(3,152.2)	(5,012.7)
In-store, hotel and travel	19,187.7	19,336.2	18,239.8
Adjusted EBITDA (Rmb mn)	**54,474.5**	**(7,282.6)**	**13,239.9**
Food delivery	36,486.1	(18,671.8)	(3,250.6)
Meituan Instashopping and others	(2,635.8)	(9,766.3)	(3,640.3)
In-store, hotel and travel	20,624.2	21,155.5	20,130.9
Effective tax rate	6%	6%	8%
Non-GAAP NP for in-store, hotel and travel (Rmb mn)	**18,088.0**	**18,181.4**	**16,777.1**
Segment enterprise valuation (Rmb mn)			412,478.3
Segment enterprise valuation (USD mn)			58,925.5
Segment enterprise valuation (HKD mn)			**459,618.6**
Value per share (HKD)			**76.44**
Food delivery, Meituan Instashopping and others			
Target P/S Multiple			**1.4x**
Enterprise valuation (Rmb mn)			278,261.6
Enterprise valuation (USD mn)			39,751.7
Enterprise valuation (HKD mn)			**310,062.9**
Value per share (HKD)			**51.56**
In-store, hotel and travel			
Target P/E Multiple			**8.0x**
Enterprise valuation (Rmb mn)			134,216.7
Enterprise valuation (USD mn)			19,173.8
Enterprise valuation (HKD mn)			**149,555.7**
Value per share (HKD)			**24.87**
New initiatives			
Revenues (Rmb mn)	**87,344.1**	**104,028.7**	**126,412.1**
New initiatives excluding Meituan Grocery	33,025.0	37,213.3	48,303.0
Meituan Grocery	54,319.1	66,815.3	78,109.1
Segment enterprise valuation (Rmb mn)			126,412.1
Segment enterprise valuation (USD mn)			18,058.9
Segment enterprise valuation (HKD mn)			**140,859.2**
Value per share (HKD)			**23.43**
New initiatives excluding Meituan Grocery			
Target P/S Multiple			**1.0x**
Enterprise valuation (Rmb mn)			48,303.0
Enterprise valuation (USD mn)			6,900.4
Enterprise valuation (HKD mn)			**53,823.3**
Value per share (HKD)			**8.95**
Grocery Retail revenues			
Target P/S Multiple			**1.0x**
Enterprise valuation (Rmb mn)			78,109.1
Enterprise valuation (USD mn)			11,158.4
Enterprise valuation (HKD mn)			**87,035.9**
Value per share (HKD)			**14.47**
Net cash (based on 1Q26A)			
Total cash & ST (Rmb mn)			180,370.2
Total debt (Rmb mn)			80,283.1
Net cash (Rmb mn) (30% discount)			70,060.9
Net cash (USD mn)			10,008.7
Net cash (HKD mn)			**78,067.9**
Net cash per share (HKD)			**12.98**
WA # of shares			6,013.15
USD: HKD			7.80
USD: RMB			7.00
Total (HKD)			**112.8**
Total Market cap (HKD)			678,545.7
Total market cap (USD)			86,993.0

Source: Citi Research Estimates

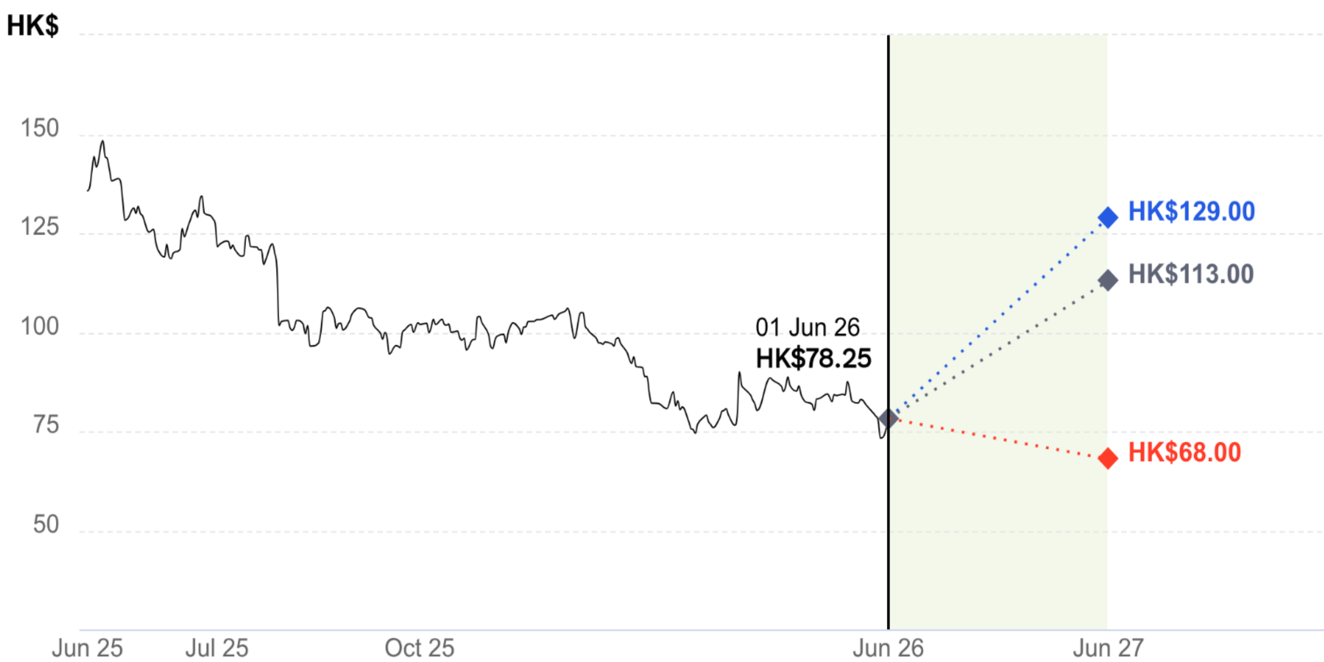
Figure 4. Meituan – Income Statement

(Rmb mn)	2025	1Q26	2Q26E	3Q26E	4Q26E	2026E	2027E	2028E
Core local commerce	261,527	64,063	69,100	73,611	71,946	278,720	303,875	333,580
New initiatives	104,029	26,976	32,550	33,776	33,111	126,412	146,712	166,164
Total revenues	**365,556**	**91,039**	**101,650**	**107,386**	**105,056**	**405,132**	**450,587**	**499,744**
YoY growth %	*8.3%*	*5.2%*	*10.7%*	*13.0%*	*14.1%*	*10.8%*	*11.2%*	*10.9%*
QoQ growth %		*-1.1%*	*11.7%*	*5.6%*	*-2.2%*			
Total cost of revenues	**253,846**	**65,069**	**67,582**	**73,722**	**71,667**	**278,040**	**298,906**	**327,804**
Gross profit	**101,787**	**23,159**	**31,327**	**30,436**	**30,068**	**114,991**	**136,940**	**154,686**
Gross margin %	*30.6%*	*28.5%*	*33.5%*	*31.3%*	*31.8%*	*31.4%*	*33.7%*	*34.4%*
Selling and marketing expenses	103,635	22,969	23,456	24,819	23,833	95,076	92,425	94,073
Research and development expenses	25,998	7,043	6,912	6,873	7,196	28,024	29,205	29,759
General and administrative expenses	12,788	3,419	3,354	3,222	3,257	13,252	13,465	15,236
Fair value changes on investments	2,393	392	100	200	200	892	1,800	2,000
Other (losses)/gains, net	3,278	599	(900)	(600)	(600)	(1,501)	(2,000)	(2,000)
Operating income (loss)	**(25,041)**	**(6,470)**	**(454)**	**(1,648)**	**(1,297)**	**(9,870)**	**16,387**	**32,872**
Operating margin %	*-6.9%*	*-7.1%*	*-0.4%*	*-1.5%*	*-1.2%*	*-2.4%*	*3.6%*	*6.6%*
Non-GAAP operating income	**(16,986)**	**(4,146)**	**893**	**(444)**	**(130)**	**(3,827)**	**20,961**	**37,834**
Non-GAAP operating margin %	*-4.6%*	*-4.6%*	*0.9%*	*-0.4%*	*-0.1%*	*-0.9%*	*4.7%*	*7.6%*
Net income (loss) attributable to ordinary shareholders	**(23,355)**	**(6,827)**	**(441)**	**(1,241)**	**(934)**	**(9,444)**	**15,213**	**29,638**
Net margin %	*-6.4%*	*-7.5%*	*-0.4%*	*-1.2%*	*-0.9%*	*-2.3%*	*3.4%*	*5.9%*
Non-GAAP net income attributable to equity holders	**(18,649)**	**(4,968)**	**633**	**(186)**	**89**	**(4,432)**	**20,255**	**35,190**
Non-GAAP net margin %	*-5.1%*	*-5.5%*	*0.6%*	*-0.2%*	*0.1%*	*-1.1%*	*4.5%*	*7.0%*
Adjusted EBITDA	**(13,783)**	**(3,049)**	**4,395**	**2,881**	**3,200**	**8,119**	**34,442**	**51,763**
Adjusted EBITDA margin %	*-3.8%*	*-3.3%*	*4.3%*	*2.7%*	*3.0%*	*2.0%*	*7.6%*	*10.4%*
Non-GAAP diluted net income (loss) per share (Rmb)	**(3.07)**	**(0.83)**	**0.11**	**(0.03)**	**0.01**	**(0.74)**	**3.34**	**5.76**
Non-GAAP diluted net income (loss) per share (HK$)	**(3.40)**	**(0.94)**	**0.12**	**(0.04)**	**0.02**	**(0.84)**	**3.79**	**6.53**
Food delivery								
GTV (Rmb bn)	**1,180**	**270**	**293**	**315**	**302**	**1,180**	**1,230**	**1,289**
yoy growth %	*7.9%*	*4.2%*	*-0.6%*	*-3.4%*	*0.8%*	*0.1%*	*4.2%*	*4.8%*
No. of food delivery transactions (mn)	**24,641**	**5,419**	**6,253**	**6,483**	**6,094**	**24,249**	**25,321**	**26,587**
yoy growth %	*12.3%*	*5.3%*	*2.5%*	*-8.0%*	*-4.0%*	*-1.6%*	*4.4%*	*5.0%*
Average order value (Rmb)	**47.9**	**49.9**	**46.8**	**48.6**	**49.6**	**48.7**	**48.6**	**48.5**
yoy growth %	*-4.0%*	*-1.0%*	*-3.0%*	*5.0%*	*5.0%*	*1.7%*	*-0.2%*	*-0.2%*
Revenues (Rmb mn)	**161,851**	**37,825**	**40,948**	**44,016**	**42,996**	**165,785**	**175,770**	**186,575**
yoy growth %	*-2.7%*	*-8.4%*	*1.5%*	*7.6%*	*9.4%*	*2.4%*	*6.0%*	*6.1%*
Operating profit (Rmb mn)	**(23,088)**	**(5,271)**	**89**	**(1,286)**	**(1,094)**	**(7,562)**	**8,259**	**13,910**
Operating margin	*-14.3%*	*-13.9%*	*0.2%*	*-2.9%*	*-2.5%*	*-4.6%*	*4.7%*	*7.5%*
Operating profit per order (Rmb)	**(0.94)**	**(0.97)**	**0.01**	**(0.20)**	**(0.18)**	**(0.31)**	**0.33**	**0.52**
In-store, hotel and travel								
Revenues (Rmb mn)	**66,601**	**16,869**	**19,017**	**18,834**	**17,881**	**72,600**	**78,967**	**89,492**
yoy growth %	*13.3%*	*8.3%*	*8.4%*	*9.0%*	*10.3%*	*9.0%*	*8.8%*	*13.3%*
Operating profit (Rmb mn)	**19,336**	**4,250**	**4,825**	**4,666**	**4,498**	**18,240**	**21,606**	**27,917**
Operating margin	*29.0%*	*25.2%*	*25.4%*	*24.8%*	*25.2%*	*25.1%*	*27.4%*	*31.2%*
New initiatives								
Revenues (Rmb mn)	**104,029**	**26,976**	**32,550**	**33,776**	**33,111**	**126,412**	**146,712**	**166,164**
yoy growth %	*19.1%*	*21.3%*	*22.9%*	*20.4%*	*21.5%*	*21.5%*	*16.1%*	*13.3%*
Operating profit (Rmb mn)	**(10,082)**	**(2,116)**	**(2,328)**	**(2,674)**	**(2,374)**	**(9,492)**	**(5,408)**	**(2,140)**
Operating margin	*-9.7%*	*-7.8%*	*-7.2%*	*-7.9%*	*-7.2%*	*-7.5%*	*-3.7%*	*-1.3%*

Source: Company Reports and Citi Research Estimates

Bull/Bear: Meituan (3690.HK)

HK$129.00	HK$113.00	HK$68.00
▲65% Upside	▲44% Upside	▼13% Downside



Spread 78pp
Current Price and expected returns (upside/downside) as of 01 Jun 2026

BULL Assumptions

- Target P/S multiple of on-demand delivery at 1.6x.
- Target P/E multiple of in-store, hotel and travel at 10x.

BASE Assumptions

- Target P/S multiple of on-demand delivery at 1.4x.
- Target P/E multiple of in-store, hotel and travel at 8x.

BEAR Assumptions

- Target P/S multiple of on-demand delivery at 0.5x.
- Target P/E multiple of in-store, hotel and travel at 4x.

Meituan

Company description

Meituan is China's leading e-commerce platform for services focusing on mass-market, essential, and high-frequency service categories to connect consumers and merchants. Meituan mainly generates revenue from its food delivery business, in-store hotel & travel business, and new initiatives and others. Meituan operates mobile apps including Meituan, Dianping, Meituan Waimai and Mobike to provide services for merchants and consumers.

Investment strategy

We have a Buy/High Risk rating on Meituan shares. While we acknowledge uncertainty remains in the competitive landscape in both food delivery and in-store segment, we are encouraged by the significant qoq improvement in on-demand losses. While we forecast CLC to resume profitability in 3Q26, there is a possibility that the loss reduction could come sooner in 2Q26, which would be supportive to share performance. Since overall competitive dynamic remains dynamic, we retain the High-Risk rating to reflect high volatility to share price movement in any positive or negative news from regulation, competition and external unforeseen Middle East conflicts.

Valuation

We use a sum-of-the-parts (SOTP) approach to value Meituan shares.

1) Food delivery and Meituan Instashopping business: Applying 1.4x P/S to Meituan’s food delivery and Meituan Instashopping business yields a total value of HK$310bn, or ~HK$52 per share.

2) In-store hotel and travel: Applying an 8x multiple to our adjusted net profit of Rmb16.8bn yields a value of HK$150bn, or ~HK$25 per share.

3) New initiatives excluding grocery retail: Applying 1.0x P/S results in HK$53.8bn, or ~HK$9.0 per share.

4) Grocery retail (including Meituan Select): Applying 1.0x P/S results in HK$87.0bn, or ~HK$14.5 per share.

5) Cash balance: We include cash, cash equivalent and short-term investments, but exclude restricted cash. We use 1Q26 actual net cash balance in our valuation.

Added together, our SOTP valuation for Meituan comes to a target price of HK$113 per share.

Risks

We assign a High Risk rating to Meituan for higher volatility amid intensifying competition. Downside risks to achieving our target price include: 1) intense competition continues and food delivery UE remains loss making; 2) tough competitive landscape for in-store and hotel business that pressures margins; 3) new initiative losses wider than expected; 4) higher-than-expected rider cost; 5) deteriorating macro economy and shift of consumption behavior.

If you are visually impaired and would like to speak to a Citi representative regarding the details of the graphics in this document, please call USA 1-888-500-5008 (TTY: 711), from outside the US +1-210-677-3788

Appendix A-1

ANALYST CERTIFICATION

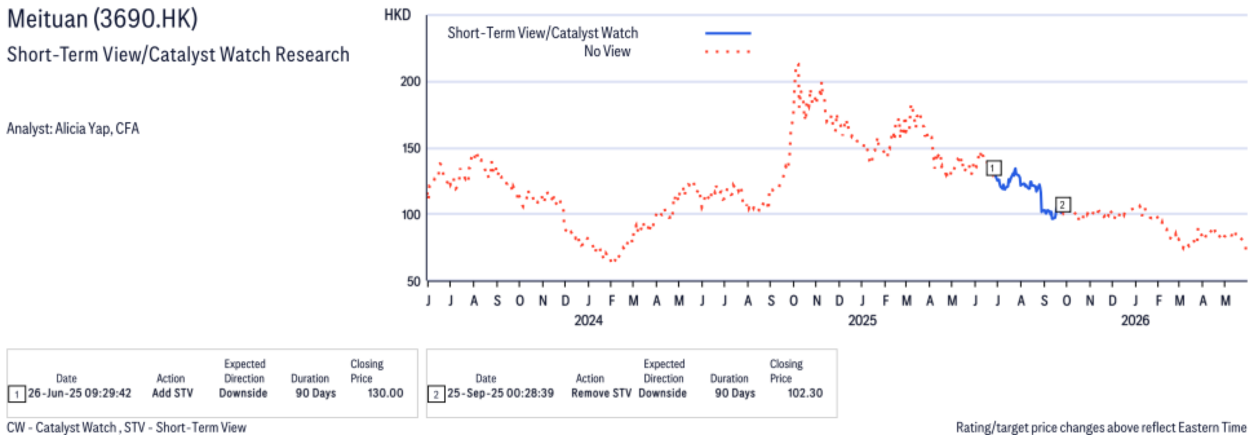
The research analysts primarily responsible for the preparation and content of this research report are either (i) designated by "AC" in the author block or (ii) listed in bold alongside content which is attributable to that analyst. If multiple AC analysts are designated in the author block, each analyst is certifying with respect to the entire research report other than (a) content attributable to another AC certifying analyst listed in bold alongside the content and (b) views expressed solely with respect to a specific issuer which are attributable to another AC certifying analyst identified in the price charts or rating history tables for that issuer shown below. Each of these analysts certify, with respect to the sections of the report for which they are responsible: (1) that the views expressed therein accurately reflect their personal views about each issuer and security referenced and were prepared in an independent manner, including with respect to Citigroup Global Markets Inc. and its affiliates; and (2) no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in this report.

IMPORTANT DISCLOSURES

	Date	Rating	Target Price	Closing Price
1	24-Aug-23 18:25:39	1	*214.00	140.00
2	28-Nov-23 18:24:22	1	*179.00	103.00
3	05-Feb-24 14:44:36	1	*113.00	65.05
4	22-Mar-24 17:24:49	1	*128.00	88.25
5	08-May-24 13:07:25	1	*134.00	113.50
6	06-Jun-24 16:11:03	1	*140.00	112.70
7	28-Aug-24 15:48:42	1	*155.00	102.80
8	29-Sep-24 19:58:00	1	*192.00	164.60
9	01-Dec-24 15:26:07	1	*203.00	168.70
10	07-Feb-25 08:08:51	1	*200.00	154.10
11	23-Mar-25 16:25:06	1	*217.00	167.60
12	27-Apr-25 17:10:55	1	*204.00	127.60
13	26-May-25 18:47:34	1	*192.00	129.40
14	04-Aug-25 10:46:42	1	*188.00	123.00
15	27-Aug-25 19:16:23	*2H	*133.00	116.30
16	16-Oct-25 10:16:42	2H	*117.00	98.75
17	30-Nov-25 16:15:59	2H	*115.00	102.50
18	15-Feb-26 15:44:10	2H	*94.00	82.15
19	26-Mar-26 17:54:43	*1H	*110.00	86.70

*Indicates Change

Rating/target price changes above reflect Eastern Time



The Firm has made a market in the publicly traded equity securities of Meituan on at least one occasion since 1 Jan 2025.

Citigroup Global Markets Inc. or its affiliates received compensation for products and services other than investment banking services from Meituan in the past 12 months.

Citigroup Global Markets Inc. or its affiliates currently has, or had within the past 12 months, the following as clients, and the services provided were non-investment-banking, securities-related: Meituan.

Citigroup Global Markets Inc. or its affiliates currently has, or had within the past 12 months, the following as clients, and the services provided were non-investment-banking, non-securities-related: Meituan.

Citigroup Global Markets Inc. and/or its affiliates has a significant financial interest in relation to Meituan. (For an explanation of the determination of significant financial interest, please refer to the policy for managing conflicts of interest which can be found at www.citiVelocity.com.)

Analysts' compensation is determined by Citi Research management and Citigroup's senior management and is based upon activities and services intended to benefit the investor clients of Citigroup Global Markets Inc. and its affiliates (the "Firm"). Compensation is not linked to specific transactions or recommendations. Like all Firm employees, analysts receive compensation that is impacted by overall Firm profitability which includes investment banking, sales and trading, and principal trading revenues. One factor in equity research analyst compensation is arranging corporate access events between institutional clients and the management teams of covered companies. Typically, company management is more likely to participate when the analyst has a positive view of the company.

For financial instruments recommended in the Product in which the Firm is not a market maker, the Firm is a liquidity provider in such financial instruments (and any underlying instruments) and may act as principal in connection with transactions in such instruments. The Firm is a regular issuer of traded financial instruments linked to securities that may have been recommended in the Product. The Firm regularly trades in the securities of the issuer(s) discussed in the Product. The Firm may engage in securities transactions in a manner inconsistent with the Product and, with respect to securities covered by the Product, will buy or sell from customers on a principal basis.

The Firm is a market maker in the publicly traded equity securities of Meituan.

Unless stated otherwise neither the Research Analyst nor any member of their team has viewed the material operations of the Companies for which an investment view has been provided within the past 12 months.

For important disclosures (including copies of historical disclosures) regarding the companies that are the subject of this Citi Research product ("the Product"), please contact Citi Research, 388 Greenwich Street, 6th Floor, New York, NY, 10013, Attention: Legal/Compliance [E6WYB6412478]. In addition, the same important disclosures, with the exception of the Valuation and Risk assessments and historical disclosures, are contained on the Firm's disclosure website at https://www.citivelocity.com/cvr/eppublic/citi_research_disclosures. Valuation and Risk assessments can be found in the text of the most recent research note/report regarding the subject company. Pursuant to the Market Abuse Regulation a history of all Citi Research recommendations published during the preceding 12-month period can be accessed via Citi Velocity (https://www.citivelocity.com/cv2) or your standard distribution portal. Historical disclosures (for up to the past three years) will be provided upon request.

Citi Research Equity Ratings Distribution

	12 Month Rating			Catalyst Watch		
Data current as of 01 Apr 2026	**Buy**	**Hold**	**Sell**	**Buy**	**Hold**	**Sell**
Citi Research Global Fundamental Coverage (Neutral=Hold)	61%	32%	8%	37%	47%	16%
% of companies in each rating category that are investment banking clients	38%	41%	28%	42%	37%	36%

Guide to Citi Research Fundamental Research Investment Ratings:

Citi Research stock recommendations include an investment rating and an optional risk rating to highlight high risk stocks.

Risk rating takes into account both price volatility and fundamental criteria. Stocks will either have no risk rating or a High risk rating assigned.
Investment Ratings: Citi Research investment ratings are Buy, Neutral and Sell. Our ratings are a function of analyst expectations of expected total return ("ETR") and risk. ETR is the sum of the forecast price appreciation (or depreciation) plus the dividend yield for a stock within the next 12 months. The target price is based on a 12 month time horizon. The Investment rating definitions are: Buy (1) ETR of 15% or more or 25% or more for High risk stocks; and Sell (3) for negative ETR. Any covered stock not assigned a Buy or a Sell is a Neutral (2). For stocks rated Neutral (2), if an analyst believes that there are insufficient valuation drivers and/or investment catalysts to derive a positive or negative investment view, they may elect with the approval of Citi Research management not to assign a target price and, thus, not derive an ETR. Citi Research may suspend its rating and target price and assign "Rating Suspended" status for regulatory and/or internal policy reasons. Citi Research may also suspend its rating and target price and assign "Under Review" status for other exceptional circumstances (e.g. lack of information critical to the analyst's thesis, trading suspension) affecting the company and/or trading in the company's securities. In both such situations, the rating and target price will show as "—" and "-" respectively in the rating history price chart. Prior to 11 April 2022 Citi Research assigned "Under Review" status to both situations and prior to 11 Nov 2020 only in exceptional circumstances. As soon as practically possible, the analyst will publish a note re-establishing a rating and investment thesis. Investment ratings are determined by the ranges described above at the time of initiation of coverage, a change in investment and/or risk rating, or a change in target price (subject to limited management discretion). At times, the expected total returns may fall outside of these ranges because of market price movements and/or other short-term volatility or trading patterns. Such interim deviations will be permitted but will become subject to review by Research Management. Your decision to buy or sell a security should be based upon your personal investment objectives and should be made only after evaluating the stock's expected performance and risk.

Catalyst Watch/Short Term Views ("STV") Ratings Disclosure:
Catalyst Watch and STV Upside/Downside calls: Citi Research may also include a Catalyst Watch or STV Upside or Downside call to indicate the analyst expects the share price to rise (fall) in absolute terms over a specified period of 30 or 90 days in reaction to one or more specific near-term catalysts or events impacting the company or the market. A Catalyst Watch will be published when Analyst confidence is high that an impact to share price will occur; it will be a STV when confidence level is moderate. A Catalyst Watch or STV Upside/Downside call will automatically expire at the end of the specified 30/90 day period. The Catalyst Watch will also be automatically removed if share price performance (calculated at market close) exceeds 15% against the direction of the call (unless over-ridden by the analyst). The analyst may also remove a Catalyst Watch or STV call prior to the end of the specified period in a published research note. A Catalyst Watch/STV Upside or Downside call may be different from and does not affect a stock's fundamental equity rating, which reflects a longer-term total absolute return expectation. For purposes of FINRA ratings-distribution-disclosure rules, a Catalyst Watch/STV Upside call corresponds to a buy recommendation and a Catalyst Watch/STV Downside call corresponds to a sell recommendation. Any stock not assigned to a Catalyst Watch Upside, Catalyst Watch Downside, STV Upside, or STV Downside call is considered Catalyst Watch/STV No View. For purposes of FINRA ratings distribution-disclosure rules, we correspond Catalyst Watch/STV No View to Hold in our ratings distribution table for our Catalyst Watch/STV Upside/Downside rating system. However, we reiterate that we do not consider No View to be a recommendation. For all Catalyst Watch/STV Upside/Downside calls, risk exists that the catalyst(s) and associated share-price movement will not materialize as expected.

RESEARCH ANALYST AFFILIATIONS / NON-US RESEARCH ANALYST DISCLOSURES
The legal entities employing the authors of this report are listed below (and their regulators are listed further herein). Non-US research analysts who have prepared this report (i.e., all research analysts listed below other than those identified as employed by Citigroup Global Markets Inc.) are not registered/qualified as research analysts with FINRA. Such research analysts may not be associated persons of the member organization (but are employed by an affiliate of the member organization) and therefore may not be subject to the FINRA Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Citigroup Global Markets Asia Limited	Vicky Wei, CFA; Nelson Cheung; Alicia Yap, CFA

OTHER DISCLOSURES

Any price(s) of instruments mentioned in recommendations are as of the prior day's market close on the primary market for the instrument, unless otherwise stated.

The completion and first dissemination of any recommendations made within this research report are as of the Eastern date-time displayed at the top of the Product. If the Product references views of other analysts then please refer to the price chart or rating history table for the date/time of completion and first dissemination with respect to that view.

Regulations in various jurisdictions require that where a recommendation differs from any of the author's previous recommendations concerning the same financial instrument or issuer that has been published during the preceding 12-month period that the change(s) and the date of that previous recommendation are indicated. For fundamental coverage please refer to the price chart or rating change history within this disclosure appendix or the issuer disclosure summary at https://www.citivelocity.com/cvr/eppublic/citi_research_disclosures.

Citi Research has implemented policies for identifying, considering and managing potential conflicts of interest arising as a result of publication or distribution of investment research. A description of these policies can be found at https://www.citivelocity.com/cvr/eppublic/citi_research_disclosures.

The proportion of all Citi Research research recommendations that were the equivalent to "Buy","Hold","Sell" at the end of each quarter over the prior 12 months (with the % of these that had received investment firm services from Citi in the prior 12 months shown in brackets) is as follows; Q1 2026 Buy 33%(63%), Hold 44% (52%), Sell 23% (46%), RV 0.5% (89%): Q4 2025 Buy 33% (63%), Hold 44% (50%), Sell 23% (46%), RV 0.4% (91%); Q3 2025 Buy 33% (61%), Hold 44% (52%), Sell 23% (50%), RV 0.4% (80%); Q2 2025 Buy 33%(63%), Hold 44% (51%), Sell 23% (49%), RV 0.4% (86%). For the purposes of disclosing recommendations other than for equity (whose definitions can be found in the corresponding disclosure sections), "Buy" means a positive directional trade idea; "Sell" means a negative directional trade idea; and "Relative Value" means any trade idea which does not have a clear direction to the investment strategy.

European regulations require a 5 year price history when past performance of a security is referenced. CitiVelocity's Charting Tool (https://www.citivelocity.com/cv2/#go/CHARTING_3_Equities) provides the facility to create customisable price charts including a five year option. This tool can be found in the Data & Analytics section under any of the asset class menus in CitiVelocity (https://www.citivelocity.com/). For further information contact CitiVelocity support (https://www.citivelocity.com/cv2/go/CLIENT_SUPPORT). The source for all referenced prices, unless otherwise stated, is DataCentral, which sources price information from LSEG Data & Analytics. Past performance is not a guarantee or reliable indicator of future results. Forecasts are not a guarantee or reliable indicator of future performance.

Investors should always consider the investment objectives, risks, and charges and expenses of an ETF carefully before investing. The applicable prospectus and key investor information document (as applicable) for an ETF should contain this and other information about such ETF. It is important to read carefully any such prospectus before investing. Clients may obtain prospectuses and key investor information documents for ETFs from the applicable distributor or authorized participant, the exchange upon which an ETF is listed and/or from the applicable website of the applicable ETF issuer. The value of the investments and any accruing income may fall or rise. Any past performance, prediction or forecast is not indicative of future or likely performance. Any information on ETFs contained herein is provided strictly for illustrative purposes and should not be deemed an offer to sell or a solicitation of an offer to purchase units of any ETF either explicitly or implicitly. The opinions expressed are those of the authors and do not necessarily reflect the views of ETF issuers, any of their agents or their affiliates.

Citigroup Global Markets India Private Limited and/or its affiliates may have, from time to time, actual or beneficial ownership of 1% or more in the debt securities of the subject issuer.

Please be advised that pursuant to Executive Order 13959 as amended (the "Order"), U.S. persons are prohibited from investing in securities of any company determined by the United States Government to be the subject of the Order. This research is not intended to be used or relied upon in any way that could result in a violation of the Order. Investors are encouraged to rely upon their own legal counsel for advice on compliance with the Order and other economic sanctions programs administered and enforced by the Office of Foreign Assets Control of the U.S. Treasury Department.

This communication is directed at persons who are "Eligible Clients" as such term is defined in the Israeli Regulation of Investment Advice, Investment Marketing and Investment Portfolio Management law, 1995 (the "Advisory Law"). Within Israel, this communication is not intended for retail clients and Citi will not make such products or transactions available to retail clients or to non-Eligible Clients. The presenter is not licensed as investment advisor or investment marketer by the Israeli Securities Authority ("ISA") and this communication does not constitute investment or marketing advice. The information contained herein may relate to matters that are not regulated by the ISA. Any securities which are the subject of this communication may not be offered or sold to any Israeli person except pursuant to a security offering exemption according to the Israeli Securities Law, 1968and the public offering rules provided thereunder.

Citi Research broadly and simultaneously disseminates its research content to the Firm's institutional and retail clients via the Firm's proprietary electronic distribution platforms (e.g., Citi Velocity and various Global Wealth platforms). As a convenience, certain, but not all, research content may be distributed through third party aggregators. Clients may receive published research reports by email, on a discretionary basis, and only after such research content has been broadly disseminated. Certain research is made available only to institutional investors to satisfy regulatory requirements. The level and types of services provided by Citi Research analysts to clients may vary depending on various factors such as the client's individual preferences as to the frequency and manner of receiving communications from analysts, the client's risk profile and investment focus and perspective (e.g. market-wide, sector specific, long term, short-term etc.), the size and scope of the overall client relationship with the Firm and legal and regulatory constraints.

Pursuant to Comissão de Valores Mobiliários Resolução 20 and ASIC Regulatory Guide 264, Citi is required to disclose whether a Citi related company or business has a commercial relationship with the subject company. Considering that Citi operates multiple businesses in more than 100 countries around the world, it is likely that Citi has a commercial relationship with the subject company.

Securities recommended, offered, or sold by the Firm: (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or other obligations of any insured depository institution (including Citibank); and (iii) are subject to investment risks, including the possible loss of the principal amount invested. The Product is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Any decision to purchase securities mentioned in the

Product must take into account existing public information on such security or any registered prospectus. Although information has been obtained from and is based upon sources that the Firm believes to be reliable, we do not guarantee its accuracy and it may be incomplete and condensed. Note, however, that the Firm has taken all reasonable steps to determine the accuracy and completeness of the disclosures made in the Important Disclosures section of the Product. The Firm's research department has received assistance from the subject company(ies) referred to in this Product including, but not limited to, discussions with management of the subject company(ies). Firm policy prohibits research analysts from sending draft research to subject companies. However, it should be presumed that the author of the Product has had discussions with the subject company to ensure factual accuracy prior to publication. Statements and views concerning ESG (environmental, social, governance) factors are typically based upon public statements made by the affected company or other public news, which the author may not have independently verified. ESG factors are one consideration that investors may choose to examine when making investment decisions. All opinions, projections and estimates constitute the judgment of the author as of the date of the Product and these, plus any other information contained in the Product, are subject to change without notice. Prices and availability of financial instruments also are subject to change without notice. Notwithstanding other departments within the Firm advising the companies discussed in this Product, information obtained in such role is not used in the preparation of the Product. Although Citi Research does not set a predetermined frequency for publication, if the Product is a fundamental equity or credit research report, it is the intention of Citi Research to provide research coverage of the covered issuers, including in response to news affecting the issuer. For non-fundamental research reports, Citi Research may not provide regular updates to the views, recommendations and facts included in the reports. Notwithstanding that Citi Research maintains coverage on, makes recommendations concerning or discusses issuers, Citi Research may be periodically restricted from referencing certain issuers due to legal or policy reasons. Where a component of a published trade idea is subject to a restriction, the trade idea will be removed from any list of open trade ideas included in the Product. Upon the lifting of the restriction, the trade idea will either be re-instated in the open trade ideas list if the analyst continues to support it or it will be officially closed. Citi Research may provide different research products and services to different classes of customers (for example, based upon long-term or short-term investment horizons) that may lead to differing conclusions or recommendations that could impact the price of a security contrary to the recommendations in the alternative research product, provided that each is consistent with the rating system for each respective product.

Investing in non-U.S. securities, including ADRs, may entail certain risks. The securities of non-U.S. issuers may not be registered with, nor be subject to the reporting requirements of the U.S. Securities and Exchange Commission. There may be limited information available on foreign securities. Foreign companies are generally not subject to uniform audit and reporting standards, practices and requirements comparable to those in the U.S. Securities of some foreign companies may be less liquid and their prices more volatile than securities of comparable U.S. companies. In addition, exchange rate movements may have an adverse effect on the value of an investment in a foreign stock and its corresponding dividend payment for U.S. investors. Net dividends to ADR investors are estimated, using withholding tax rates conventions, deemed accurate, but investors are urged to consult their tax advisor for exact dividend computations. Investors who have received the Product from the Firm may be prohibited in certain states or other jurisdictions from purchasing securities mentioned in the Product from the Firm. Please ask your Financial Consultant for additional details. Citigroup Global Markets Inc. takes responsibility for the Product in the United States. Any orders by US investors resulting from the information contained in the Product may be placed only through Citigroup Global Markets Inc.

The Citigroup legal entity that takes responsibility for the production of the Product is the legal entity which the first named author is employed by.

The Product is made available in **Australia** through Citigroup Global Markets Australia Pty Limited. (ABN 64 003 114 832 and AFSL No. 240992), participant of the ASX Group and regulated by the Australian Securities & Investments Commission. Citigroup Centre, 2 Park Street, Sydney, NSW 2000. Citigroup Global Markets Australia Pty Limited is not an Authorised Deposit-Taking Institution under the Banking Act 1959, nor is it regulated by the Australian Prudential Regulation Authority.

The Product is made available in **Brazil** by Citigroup Global Markets Brasil - CCTVM SA, which is regulated by CVM - Comissão de Valores Mobiliários ("CVM"), BACEN - Brazilian Central Bank, APIMEC - Associação dos Analistas e Profissionais de Investimento do Mercado de Capitais and ANBIMA – Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais. Av. Paulista, 1111 - 14º andar(parte) - CEP: 01311920 - São Paulo - SP.

This Product is available in **Chile** through Banchile Corredores de Bolsa S.A., an indirect subsidiary of Citigroup Inc., which is regulated by the Comisión Para El Mercado Financiero. Enrique Foster Sur, 20, piso 6, Las Condes, Santiago, Chile.

Disclosure for investors in the Republic of Colombia :This communication or message does not constitute a professional recommendation to make investment in the terms of article 2.40.1.1.2 of Decree 2555 de 2010 or the regulations that modify, substitute or complement it. Para la elaboración y distribución de informes de investigación y de comunicaciones generales de que trata este artículo no se requiere ser una entidad vigilada por la Superintendencia Financiera de Colombia.

The Product is made available in **Germany** by Citigroup Global Markets Europe AG ("CGME"), which is regulated by the European Central Bank and the German Federal Financial Supervisory Authority (Bundesanstalt fur Finanzdienstleistungsaufsicht BaFin). Börsenplatz 9, 60313 Frankfurt am Main, Germany.

Unless otherwise specified, if the analyst who prepared this report is based in Hong Kong and it relates to “securities” (as defined in the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong)), the report is issued in Hong Kong by

Citigroup Global Markets Asia Limited. Citigroup Global Markets Asia Limited is regulated by Hong Kong Securities and Futures Commission. If the report is prepared by a non-Hong Kong based analyst, please note that such analyst (and the legal entity that the analyst is employed by or accredited to) is not licensed/registered in Hong Kong and they do not hold themselves out as such. Please refer to the section "Research Analyst Affiliations / Non-US Research Analyst Disclosures" for the details of the employment entity of the analysts.

The Product is made available in **India** by Citigroup Global Markets India Private Limited (CGM), which is regulated by the Securities and Exchange Board of India (SEBI), as a Research Analyst (SEBI Registration No. INH000000438). CGM is also actively involved in the business of merchant banking (SEBI Registration No. INM000010718) and stock brokerage ((SEBI Registration No. INZ000263033) in India, and is registered with SEBI in this regard. Registration granted by SEBI, enlistment with Bombay Stock Exchange (BSE) and certification from National Institute of Securities Markets (NISM) in no way guarantee performance of the intermediary or provide any assurance of returns to investors. CGM's registered office is at 1202, 12th Floor, First International Financial Centre (FIFC), G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400098 & registered Tel: +91 22 61759999. Citi maintains robust policies, procedures,controls, and training to ensure continued compliance with all applicable rulesand regulations. All recommendations contained herein are made by dulyqualified research analysts. CGM's Corporate Identity Number is U99999MH2000PTC126657, and its Compliance Officer [Vishal Bohra] contact details are: Tel:+91-022-61759994, Fax:+91-022-61759851, Email: cgmcompliance@citi.com. The Investor Charter in respect of Research Analysts, the Compliance Audit Report and Complaints information can be found at https://www.citivelocity.com/cvr/eppublic/citi_research_disclosures. The grievance officer [Niraj Mody] contact details are Tel: +91-22-42775002, Email: EMEA.CR.Complaints@citi.com. Investment in securities market are subject to market risks. Read all the related documents carefully before investing. SEBI prescribed Client Terms & Conditions can be found at https://www.citivelocity.com/rendition/authfilelinksvcs/eppublic/V1/file?paramData=ZmlsZU5hbWU9L1MzL0dETVMvcHViRGlzY2xvc3VyZUh0bWxzL2dkbV9kaXNfc2ViaV9UZXJtc29mVXNlLmh0bWw

The Product is made available in **Indonesia** through PT Citigroup Sekuritas Indonesia. Citibank Tower 10/F, Pacific Century Place, SCBD lot 10, Jl. Jend Sudirman Kav 52-53, Jakarta 12190, Indonesia. Neither this Product nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable capital market laws and regulations. This Product is not an offer of securities in Indonesia. The securities referred to in this Product have not been registered with the Capital Market and Financial Services Authority (OJK) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market laws and regulations.

The Product is made available in **Japan** by Citigroup Global Markets Japan Inc. ("CGMJ"), which is regulated by Financial Services Agency, Securities and Exchange Surveillance Commission, Japan Securities Dealers Association, Tokyo Stock Exchange and Osaka Securities Exchange. Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku, Tokyo 100-8132 Japan. In the event that an error is found in an CGMJ research report, a revised version will be posted on the Firm's Citi Velocity website. If you have questions regarding Citi Velocity, please call (81 3) 6270-3019 for help.

The product is made available in the **Kingdom of Saudi Arabia** in accordance with Saudi laws through Citigroup Saudi Arabia, which is regulated by the Capital Market Authority (CMA) under CMA license (17184-31). 2239 Al Urubah Rd – Al Olaya Dist. Unit No. 18, Riyadh 12214 – 9597, Kingdom Of Saudi Arabia.

The Product is made available in **Korea** by Citigroup Global Markets Korea Securities Ltd. (CGMK), which is regulated by the Financial Services Commission, the Financial Supervisory Service and the Korea Financial Investment Association (KOFIA). The address of CGMK is Citibank Center, 50 Saemunan-ro, Jongno-gu, Seoul 03184, Korea. KOFIA makes available registration information of research analysts on its website. Please visit the following website if you wish to find KOFIA registration information on research analysts of CGMK. http://dis.kofia.or.kr/websquare/index.jsp?w2xPath=/wq/fundMgr/DISFundMgrAnalystList.xml&divisionId=MDIS03002002000000&serviceId=SDIS03002002000. The Product is made available in Korea by Citibank Korea Inc., which is regulated by the Financial Services Commission and the Financial Supervisory Service. Address is Citibank Center, 50 Saemunan-ro, Jongno-gu, Seoul 03184, Korea. This research report is intended to be provided only to Professional Investors as defined in the Financial Investment Services and Capital Market Act and its Enforcement Decree in Korea.

The Product is made available in **Malaysia** by Citigroup Global Markets Malaysia Sdn Bhd (Registration No. 199801004692 (460819-D)) ("CGMM") to its clients and CGMM takes responsibility for its contents as regards CGMM's clients. CGMM is regulated by the Securities Commission Malaysia. Please contact CGMM at Level 43 Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur, Malaysia in respect of any matters arising from, or in connection with, the Product.

The Product is made available in **Mexico** by Citi México Casa de Bolsa, S.A. de C.V., Grupo Financiero Citi México which is a wholly owned subsidiary of Citigroup Inc. and is regulated by Comision Nacional Bancaria y de Valores. Prolongación Reforma 1196, 24 floor, Colonia Santa Fe, Alcaldía Cuajimalpa de Morelos, C.P. 05348, Ciudad de México.

The Product is made available in **Poland** by Biuro Maklerskie Banku Handlowego (DMBH), separate department of Bank Handlowy w Warszawie S.A. a subsidiary of Citigroup Inc., which is regulated by Komisja Nadzoru Finansowego. Biuro Maklerskie Banku Handlowego (DMBH), ul.Senatorska 16, 00-923 Warszawa.

The Product is made available in **Singapore** through Citigroup Global Markets Singapore Pte. Ltd. (“CGMSPL”), a capital markets services and Exempt Financial Advisor license holder, and regulated by Monetary Authority of Singapore. Please contact CGMSPL at 8 Marina View, 21st Floor Asia Square Tower 1, Singapore 018960, in respect of any matters arising from, or in connection with, the analysis of this document. This Product is intended for recipients who are accredited, expert and institutional investors as defined under the Securities and Futures Act 2001. For Citi Private Bank, the Product is made available in Singapore by Citi Private Bank through Citibank, N.A., Singapore Branch. Citibank N.A., Singapore Branch is a licensed bank in Singapore that is regulated by the Monetary Authority of Singapore. Please contact your Private Banker in Citibank N.A., Singapore Branch if you have any queries on or any matters arising from or in connection with this document. The Product is intended for recipients who are accredited, expert and institutional investors as defined under the Securities and Futures Act 2001. For Citibank Singapore Limited (“CSL”), the Product is distributed in Singapore by CSL to selected Citigold/Citigold Private Clients. CSL provides no independent research or analysis of the substance or in preparation of the Product. Please contact your Citigold//Citigold Private Client Relationship Manager in CSL if you have any queries on or any matters arising from or in connection with this document. The Product is intended for recipients who are accredited investors as defined under the Securities and Futures Act (Cap. 289).

Citigroup Global Markets (Pty) Ltd. is incorporated in the **Republic of South Africa** (company registration number 2000/025866/07) and its registered office is at 145 West Street, Sandton, 2196, Saxonwold. Citigroup Global Markets (Pty) Ltd. is regulated by JSE Securities Exchange South Africa, South African Reserve Bank and the Financial Services Board. The investments and services contained herein are not available to private customers in South Africa.

The Product is made available in the **Republic of China (Taiwan)** through Citigroup Global Markets Taiwan Securities Company Ltd. ("CGMTS"), 14F, 15F and 16F, No. 1, Songzhi Road, Taipei 110, Taiwan, subject to the license scope and the applicable laws and regulations in the Republic of China (Taiwan). CGMTS is regulated by the Securities and Futures Bureau of the Financial Supervisory Commission of Taiwan, the Republic of China (Taiwan). No portion of the Product may be reproduced or quoted in the Republic of China (Taiwan) by the press or any third parties [without the written authorization of CGMTS]. Pursuant to the applicable laws and regulations in the Republic of China (Taiwan), the recipient of the Product shall not take advantage of such Product to involve in any matters in which the recipient may have conflicts of interest. If the Product covers securities which are not allowed to be offered or traded in the Republic of China (Taiwan), neither the Product nor any information contained in the Product shall be considered as advertising the securities or making recommendation of the securities in the Republic of China (Taiwan). The Product is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security or financial products. Any decision to purchase securities or financial products mentioned in the Product must take into account existing public information on such security or the financial products or any registered prospectus.

The Product is made available in **Thailand** through Citicorp Securities (Thailand) Ltd., which is regulated by the Securities and Exchange Commission of Thailand. 399 Interchange 21 Building, 18th Floor, Sukhumvit Road, Klongtoey Nua, Wattana ,Bangkok 10110, Thailand.

Disclosure for investors in the Republic of Turkey: The Product is made available in **Turkey** through Citibank AS which is regulated by Capital Markets Board. Tekfen Tower, Eski Buyukdere Caddesi # 209 Kat 2B, 23294 Levent, Istanbul, Turkey. Under Capital Markets Law of Turkey (Law No: 6362), the investment information, comments and recommendations stated here, are not within the scope of investment advisory activity. Comments and recommendations stated here rely on the individual opinions of the ones providing these comments and recommendations. These opinions may not fit to your financial status, risk and return preferences. For this reason, to make an investment decision by relying solely to this information stated here may not bring about outcomes that fit your expectations. Furthermore, Citi Research is a division of Citigroup Global Markets Inc. (the “Firm”), which does and seeks to do business with companies and/or trades on securities covered in this research reports. As a result, investors should be aware that the Firm may have a conflict of interest that could affect the objectivity of this report, however investors should also note that the Firm has in place organisational and administrative arrangements to manage potential conflicts of interest of this nature.

In the **U.A.E**, these materials (the "Materials") are communicated byCitigroup Global Markets Limited, DIFC branch ("CGML"), an entityregistered in the Dubai International Financial Center ("DIFC") andlicensed and regulated by the Dubai Financial Services Authority ("DFSA",license #CL0221) to Professional Clients and Market Counterparties, as definedin DFSA regulations, only and should not be relied upon or distributed toRetail Clients. Financial products and/or services to which the Materialsrelate will only be made available to Professional Clients and MarketCounterparties. Citigroup Global Markets Limited DIFC Branch registered addressis Level 3, Gate District Building 02, Dubai International Financial Centre andcan be contacted on +971 4 509 97 90.

The Product is made available in **United Kingdom** by Citigroup Global Markets Limited, which is authorised by the Prudential Regulation Authority (“PRA”) and regulated by the Financial Conduct Authority (“FCA”) and the PRA. This material may relate to investments or services of a person outside of the UK or to other matters which are not authorised by the PRA nor regulated by the FCA and the PRA and further details as to where this may be the case are available upon request in respect of this material. Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB.

The Product is made available in **United States** and **Canada** by Citigroup Global Markets Inc., which is a member of FINRA and registered with the US Securities and Exchange Commission. 388 Greenwich Street, New York, NY 10013.

Unless specified to the contrary, within EU Member States, the Product is made available by Citigroup Global Markets Europe AG ("CGME"), which is regulated by the European Central Bank and the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht-BaFin).

The Product is not to be construed as providing investment services in any jurisdiction where the provision of such services would not be permitted.

Subject to the nature and contents of the Product, the investments described therein are subject to fluctuations in price and/or value and investors may get back less than originally invested. Certain high-volatility investments can be subject to sudden and large falls in value that could equal or exceed the amount invested.The yield and average life of CMOs (collateralized mortgage obligations) referenced in this Product will fluctuate depending on the actual rate at which mortgage holders prepay the mortgages underlying the CMO and changes in current interest rates. Any government agency backing of the CMO applies only to the face value of the CMO and not to any premium paid. Certain investments contained in the Product may have tax implications for private customers whereby levels and basis of taxation may be subject to change. If in doubt, investors should seek advice from a tax adviser. The Product does not purport to identify the nature of the specific market or other risks associated with a particular transaction. Advice in the Product is general and should not be construed as personal advice given it has been prepared without taking account of the objectives, financial situation or needs of any particular investor. Accordingly, investors should, before acting on the advice, consider the appropriateness of the advice, having regard to their objectives, financial situation and needs. Prior to acquiring any financial product, it is the client's responsibility to obtain the relevant offer document for the product and consider it before making a decision as to whether to purchase the product.

Card Insights. Where this report references Card Insights data, Card Insights consists of selected data from a subset of Citi’s proprietary credit card transactions. Such data has undergone rigorous security protocols to keep all customer information confidential and secure; the data is highly aggregated and anonymized so that all unique customer identifiable information is removed from the data prior to receipt by the report’s author or distribution to external parties. This data should be considered in the context of other economic indicators and publicly available information. Further, the selected data represents only a subset of Citi’s proprietary credit card transactions due to the selection methodology or other limitations and should not be considered as indicative or predictive of the past or future financial performance of Citi or its credit card business.

Citi Research product may source data from dataCentral. dataCentral is a Citi Research proprietary database, which includes the Firm's estimates, data from company reports and feeds from LSEG Data & Analytics. The source for all referenced prices, unless otherwise stated, is DataCentral. Past performance is not a guarantee or reliable indicator of future results. Forecasts are not a guarantee or reliable indicator of future performance. The printed and printable version of the research report may not include all the information <(e.g. certain financial summary information and comparable company data) that is linked to the online version available on the Firm's proprietary electronic distribution platforms.

Where included in this report, MSCI sourced information is the exclusive property of Morgan Stanley Capital International Inc. (MSCI). Without prior written permission of MSCI, this information and any other MSCI intellectual property may not be reproduced, redisseminated or used to create any financial products, including any indices. This information is provided on an "as is" basis. The user assumes the entire risk of any use made of this information. MSCI, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. MSCI, Morgan Stanley Capital International and the MSCI indexes are services marks of MSCI and its affiliates. Where data is attributed to Morningstar that data is © 2026 Morningstar, Inc. All Rights Reserved. That information: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

The Firm accepts no liability whatsoever for the actions of third parties. The Product may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the Product refers to website material of the Firm, the Firm has not reviewed the linked site. Equally, except to the extent to which the Product refers to website material of the Firm, the Firm takes no responsibility for, and makes no representations or warranties whatsoever as to, the data and information contained therein. Such address or hyperlink (including addresses or hyperlinks to website material of the Firm) is provided solely for your convenience and information and the content of the linked site does not in any way form part of this document. Accessing such website or following such link through the Product or the website of the Firm shall be at your own risk and the Firm shall have no liability arising out of, or in connection with, any such referenced website.