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Initiation


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Global Memory

## CXMT Corp

Rating

## Outperform

Price Target

**688825.CH** **70.00 CNY**

# China Next Winners: CXMT - Redrawing the Memory Map - Initiating with Outperform

This report is part of a series on China Next Winners in which we identify the next generation of industries and corporate winners in China.

**Initiate coverage on CXMT (ChangXin Memory Technologies) with Outperform**, as 1) cycle remains elevated, 2) localization & HBM make CXMT resilient even when the current cycle turns, & 3) valuation below Chinese peers'.

**China's biggest DRAM maker and is gaining share rapidly.** We model CXMT to defy export control to grow capacity/revenue/EPS by 75%/55%/50% from 2026 to 2028.

**Localization & HBM will dampen cyclicality.** CXMT's tech is c. 3-4 years behind but good enough for conventional server DRAM. No HBM revenue yet, but meaningful in 2028 with profitability protected by policy. We model the sector to "normalize" to lower but healthy margins in 2028, but localization demand & HBM will make CXMT's dip even smaller.

**DUV can keep CXMT going for a while.** EUV is a bottleneck & innovations (e.g. $4F^2$ & 3D DRAM) are being researched to circumvent it. Hard to know if they will succeed but DUV should be able to support CXMT for likely another 3-5 years.

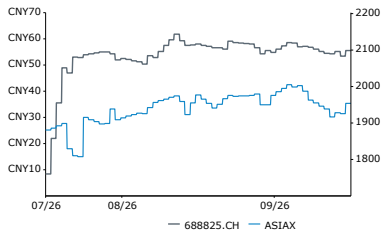
**Above consensus in 2026/27 & CXMT is notably cheaper than A-share peers.** Our 2028 EPS is in line but our 2026-27 revenue/EPS is 20-30%/40-50% above consensus. Shares unlocking in Jan & July 2027 is a risk, but attractive valuation & above-consensus forecast lead us to rate CXMT **Outperform**.

| | |
|---|---|
| Close Date | 18 Sep 2026 |
| 688825.CH Close Price (CNY) | 55.54 |
| Price Target (CNY) | 70.00 |
| Upside/(Downside) | 26% |
| 52-Week Range | 61.80/38.11 |
| ASIAX | 1,953.49 |
| FYE | Dec |
| Div Yield | NA |
| Market Cap (CNY) (B) | 3,770.28 |
| EV (CNY) (B) | 3,867.56 |

| Performance | YTD | 1M | 6M | 12M |
|---|---|---|---|---|
| Absolute (%) | NA | (6.2) | NA | NA |
| ASIAX (%) | 19.4 | (1.2) | 15.4 | 23.8 |
| Relative (%) | NA | (5.0) | NA | NA |

Source: Bloomberg, Bernstein estimates and analysis.

Price Performance, 1YR




### Investment Implications

We rate CXMT **Outperform**, with price target of **CNY 70** on 10x of forward Q5-Q8 EPS.

| Reported EPS | F25A | F26E | F27E |
|---|---|---|---|
| 688825.CH (CNY) | 0.03 | 4.04 | 6.82 |

| Financials | F25A | F26E | F27E | CAGR |
|---|---|---|---|---|
| Revenues (M) | 61,799 | 452,851 | 749,441 | 248.2% |
| BV/Share (M) | 0.94 | 5.65 | 12.47 | 263.6% |
| CapEx (M) | 49,739 | 81,291 | 141,540 | 68.7% |
| Gross Margin (%) | 41.0 | 88.1 | 90.5 | -- |
| EBIT (M) | 10,655 | 377,977 | 642,130 | 676.3% |
| Net Income Margin (%) | 3.0 | 57.3 | 61.8 | -- |
| ROE (%) | 3.8 | 118.0 | 75.3 | -- |

| Valuation Metrics | F25A | F26E | F27E |
|---|---|---|---|
| Reported P/E (x) | N/M | 13.8 | 8.1 |
| P/B (x) | 58.9 | 9.8 | 4.5 |
| Div Yield (%) | 0.0 | 0.0 | 0.0 |
| EV/EBITDA (x) | 102.4 | 9.4 | 5.6 |

Source: Bloomberg, Bernstein estimates and analysis.

**See the Disclosure Appendix of this report for required disclosures, analyst certifications and other important information. Alternatively, visit our Global Research Disclosure Website.**
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## DETAILS

## EXECUTIVE SUMMARY

We're positive on CXMT because 1) the industry is still amid an elevated cycle, 2) localization demand & catching-up in HBM will make CXMT fare better than peers even when cycle turns, & 3) CXMT is cheaper than Chinese peers. We have been discussing the memory industry cycle, & this report will focus on CXMT in expansion, technology, export control, addressable market, financial performance and valuation.

**High capex to surpass Micron in wafer capacity in 2028.** Considering CXMT's cash position & China's self-sufficiency need, we expect CXMT to spend more than consensus, possibly with new fabs announced later, & project its capex to rise to CNY 81/142/236B (US$12/21/35B) in 2026/27/28 (Exhibit 3). Its wafer capacity is modeled to grow from 300K wafers/month (wpm) now to 530K in 4Q28 (Exhibit 1) & propel CXMT to surpass Micron in wafer capacity then (Exhibit 2). This however assumes the existing export control (**more here**) won't slow CXMT down (as no sign at all thus far) & won't become tighter either (as the US needs rare earth from China).

**Lagging technologies but good enough for conventional DRAM.** Teardowns found CXMT's bit density is 3-4 years behind (Exhibit 6), as its current technology "G4" is similar to 1z-1anm from others. Despite that, CXMT has been quickly lowering its cost & narrowing its gross margin gap vs. rivals' before the current cycle started (Exhibit 15). Further thanks to the cycle, CXMT's gross margin soared to 88% in 2Q26, as good as 87-89% from Samsung, SK hynix & Micron (Exhibit 12). CXMT is also good enough for demanding applications such as server, & had 27% of its revenue from server in 2025 (Exhibit 27) & very likely more now. The advancement from DDR4 to DDR5 is a success too (Exhibit 9), with DDR5 easily representing over 50% of its revenue now. Xiaomi's recent announcement to adopt CXMT's LPDDR6 also marks its entry to the latest generation too.

**HBM is technologically challenging but demand & profitability is protected by policy.** HBM demands speedier DRAM dies that CXMT's lagging technologies may find hard to deliver. TSV & packaging are also new to CXMT. More TSVs are needed in the future generations of HBM & export control limiting equipment capable of >3000 TSVs/die will thus become a mounting barrier additionally. Finally base die is shifting to advanced logic nodes that China is struggling too. All these imply low yield & high cost for CXMT, but policy requires Chinese customers have to buy HBM from CXMT, and should guarantee demand & sufficient profitability (Exhibit 23) for CXMT.

**By expanding global bit/revenue share from 9%/10% this year to 12/13% in 2028, CXMT can increase China's DRAM self-sufficiency from 42% to 58%.** Considering the lower bit density, we discount CXMT's wafer share to estimate its bit share, but still project the bit share to rise to 12% in 2028 (Exhibit 28). As supply chain inputs & analysis suggest CXMT's price is similar to others', we model its revenue share to rise to 13% at the same time (Exhibit 30). Assuming China's goal is to fulfill the need of Chinese OEMs (e.g. including the need for Lenovo to sell PCs in Europe), we estimate CXMT will increase China's DRAM self-sufficiency from 42% now to 58% in 2028 (Exhibit 33).

**CXMT's TAM includes a meaningful part of overseas market.** Many assume geopolitical concerns will keep CXMT's memory only in China. We however highlight first that Chinese OEMs will install CXMT's memory in their end products & those end

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products will be sold to overseas customers. Moreover, our checks also consistently find foreign PC, smartphone & consumer OEMs in general can accept the use of Chinese memory in products sold globally, likely except in the US & in sensitive segments for government or data center AI, etc.

**No EUV but DUV may keep CXMT competitive for another 3-5 years.** CXMT is trying to circumvent the need of EUV with $4F^2$ & 3D DRAM (Exhibit 24, Exhibit 25), but they won't happen meaningfully in our forecast horizon up to 2028. More importantly Micron produces DRAM without EUV up to 1ßnm (Exhibit 7), & CXMT likely can stretch DUV further. With that we believe DUV is sufficient to sustain CXMT for another 3-5 years.

**We model CXMT's EPS at CNY4/6.8/6 in 2026/27/28 (Exhibit 44).** We expect the industry DRAM price to stay elevated in 2027 but begin to "normalize" in 2028. CXMT can't escape the cyclicality, but should be more resilient as localization ensures better demand & HBM reaches notable volume in 2028. Our relative cyclical view makes us slightly below consensus in 2028 revenue & in line in EPS, but we are 20-30% above in revenue & 40-50% above in EPS in 2026 & 2027 (Exhibit 46). Notably minority interest is difficult to model & is a risk to our EPS forecast.

**With valuation of 10x of Q5-Q8 EPS, we rate CXMT Outperform with price target of CNY 70.** CXMT has pricier valuation than overseas peers, but that premium should stay as A-share tech stocks more than usually enjoy a premium over their overseas counterparts (Exhibit 47, Exhibit 48). More importantly CXMT is surprisingly cheap vs. A-share semiconductor peers (Exhibit 50). For those worry about cycle and thus earnings two years from now, CXMT is also cheaper on 2-year forward basis (Exhibit 51). We caution investors that many shares will be freed from lock-up in Jan & July next year (Exhibit 52), but with attractive valuation & our above-consensus forecast, we rate CXMT Outperform with price target of CNY 70 on 10x of Q5-Q8 EPS. That implies c. 26% upside as of Sep 18th.

## AGGRESSIVE CAPEX & CAPACITY EXPANSION

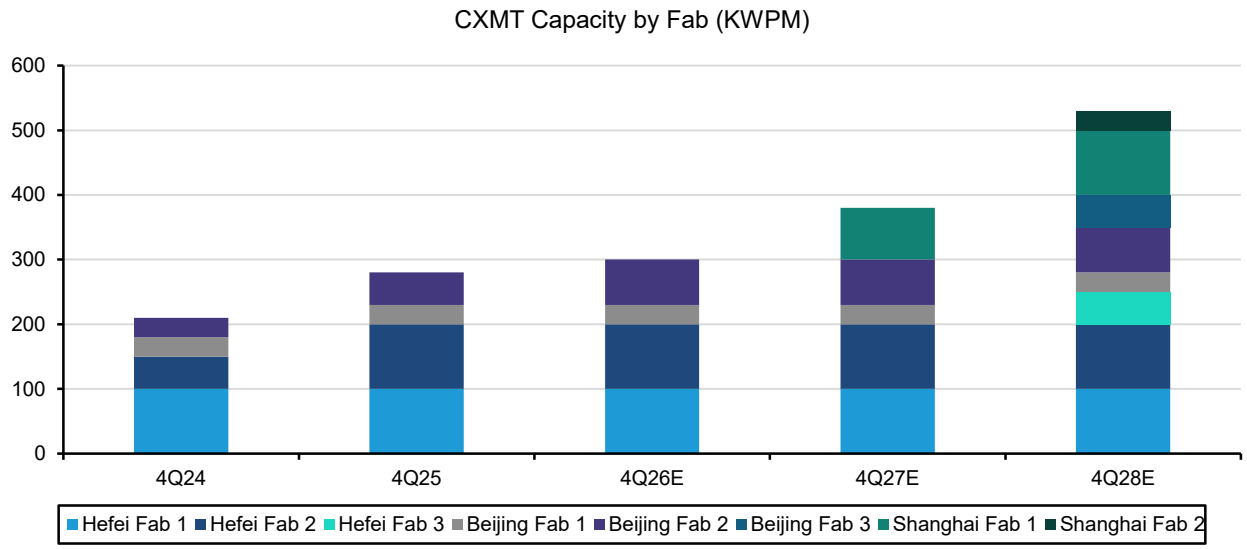
### With c. 75% expansion from now to 4Q28, CXMT is expected to have c. 20% of the global capacity & surpass Micron in wafer capacity in 2028.

- CXMT currently has capacity of around 300K wafers per month (wpm). Existing fabs in Hefei and Beijing likely have largely reached full capacity, but new fabs are being built and should start to contribute new capacity next year.
    - We believe a new fab of max capacity at 100k wpm is being built in Shanghai now, and is due to begin production early next year. There is no mention of this fab in any company filings and there is skepticism around its existence or whether it is controlled by CXMT. Nonetheless our checks from multiple sources suggest this fab exists and likely is being equipped. And it is likely closely related to CXMT's HBM production, which is why it is sensitive & may have been purposely hidden from its disclosures. For now we assume this fab is in progress and will begin to ramp in 1H27 and reach full capacity in 2028. And we also believe a second fab may be built in Shanghai and will add more capacity in 2028 additionally.
    - Reuters reported that CXMT was discussing with Beijing municipal government on securing land for building another fab in Beijing. We believe this very likely will go ahead and expect the fab to be completed and enter production sometime in 2028.
    - Apart from Shanghai & Beijing, CXMT's Hefei campus also has land for a 3rd fab. We believe construction is underway and production likely can begin in 2028 or even earlier.
    - Overall we model CXMT's wafer capacity to reach 380K wpm at 4Q27 and 530K wpm by 4Q28, which is ~75% increase from now (Exhibit 1). This would make CXMT the third-largest DRAM maker globally in terms of wafer capacity. It would amount to 19% of the global DRAM wafer capacity and would also put CXMT ahead of Micron in terms of wafer capacity (Exhibit 2).
- On the other hand, we also understand that CXMT's technology is lagging. Its production yield may be lower. Both could make its bit density (number of bits per wafer) lower than rivals'. We also need to consider price separately as CXMT may have different like-for-like prices & a different mix. As the result, we highlight that looking at sheer wafer capacity share likely inflates CXMT's actual market presence, and will elaborate these considerations & dimension CXMT's bit and revenue share more precisely below.

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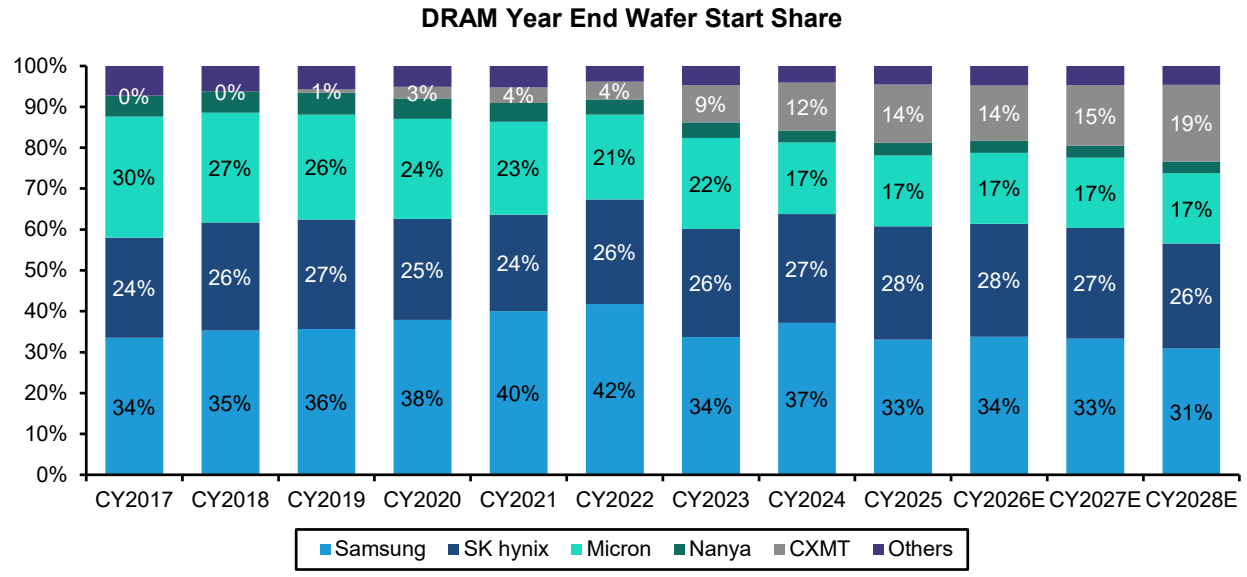


EXHIBIT 1: **We project CXMT's wafer capacity to rise by ~75% from now to 4Q28.**




Source: TrendForce, Bernstein estimates and analysis

EXHIBIT 2: **We project CXMT's wafer capacity share may surpass Micron in 2028, reaching nearly 20% globally.**




Source: TrendForce, Bernstein estimates and analysis

### We model CXMT to spend more & more capex to support the expansion.

- CXMT's capex grew very quickly from 2022 to 2024, but the growth paused in 2025 probably because existing fab space was nearly all filled or CXMT anticipated tightening export restriction & bought equipment before actual needs. Going forward, to support the aggressive capacity expansion plan, we expect capex to grow rapidly again. We model its 2026 capex surging by over 70% YoY to reach US$12B, and then continuing to rise at ~70% per year in the following two years, to eventually US$35B in 2028, as the company tries to help China become more self-reliant on DRAM (Exhibit 3).

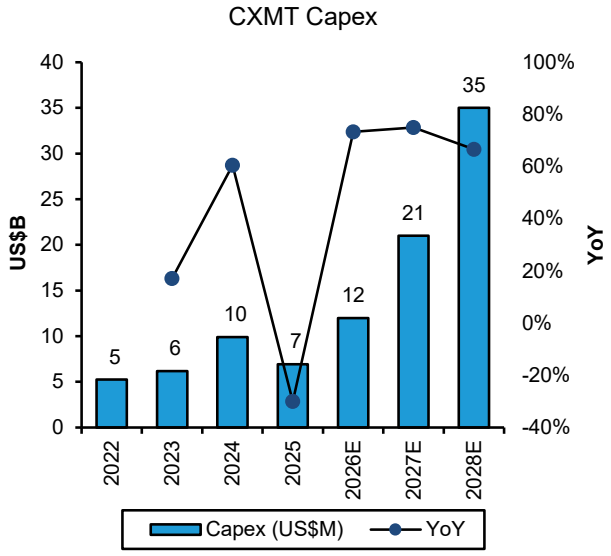
- In the past, CXMT's capex was multiple times higher than its revenue and CXMT had to rely on funding mainly from government at both central and local levels. Now with the steep memory price increase, CXMT will have no issue financing its expansion through operating cash flow (Exhibit 4). We think if it were not for physical limitations such as sourcing land,

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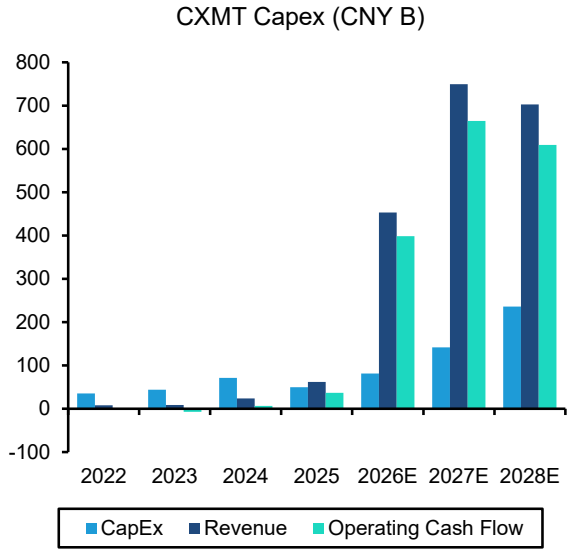
constructing fabs, recruiting & training employees, tuning equipment to make it production-worthy, etc. CXMT might be even more aggressive with capex and capacity expansion.

EXHIBIT 3: **With strong cash position, we expect CXMT will increase capex spending quickly for further capacity expansion.**




Source: Company reports, Bernstein estimates and analysis

EXHIBIT 4: **With strong operating cash flow starting this year, CXMT should have no problem financing its capex spending in the next few years.**




Source: Company reports, Bernstein estimates and analysis

## GOOD ENOUGH TECHNOLOGY FOR CONVENTIONAL DRAM

**CXMT is c. 3-4 years behind in technologies but is still capable of addressing most of DRAM market.**

- As suppliers name their nodes differently, and CXMT further defines its technology by generations (e.g. G1, G2, etc., instead of 1anm, 1bnm, etc.), we hence look at bit density found in teardown reports to have a fair comparison on their technologies. As shown in Exhibit 5, CXMT's latest sample on G4 has a density similar to 1z-1anm of others, implying that CXMT is c. 3-4 years behind the incumbent DRAM suppliers whose latest technology is 1c/1gamma nm (Exhibit 6, Exhibit 7). The incumbents may advance to 1d/1delta nm in 2028, but we expect CXMT to shift to G5 in 2H27 to keep the gap about the same (Exhibit 8).

- The lagging technology however does not prevent CXMT from competing effectively in most of the DRAM market. Its DDR5 products likely have slower speed, but recent reports finding CXMT breaking 9000 MT/s mark and narrowing the gap vs. rivals. Xiaomi recently also confirmed to adopt LPDDR6 from CXMT, making CXMT one of the earlier suppliers mass-producing LPDDR6. Our checks also indicate that CXMT's price is similar to others', implying the share gain wasn't a result of heavy price discounts. Moreover, CXMT's disclosures show that CXMT has already derived 40% of its revenue from the relatively high-end DDR5 in 1H25 & 27% from server segment in 2025, respectively (Exhibit 9, Exhibit 10). Exhibit 11 shows the revenue composition of the global DRAM market. Compared to that, CXMT is clearly short on HBM, but the exposure to high-end applications such as server isn't much lower than the overseas leaders'.

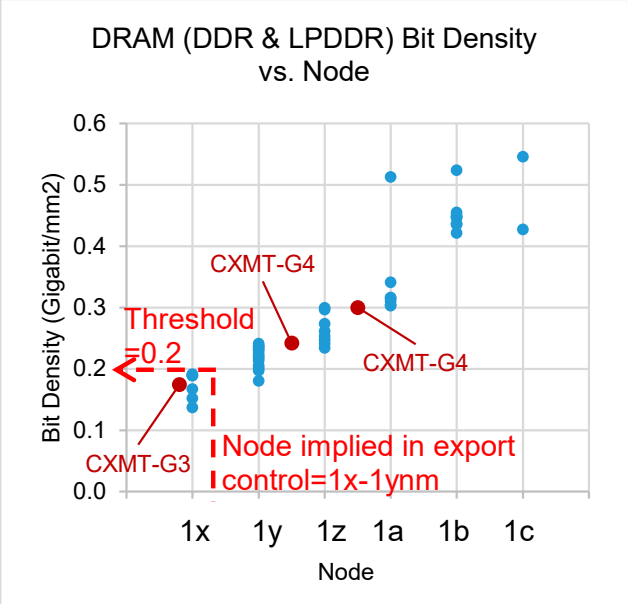
- Most importantly we're surprised that CXMT defied the headwind of lagging technology, smaller scale, and less capable equipment (as the result of the export control), and delivered rapid margin expansion (Exhibit 15). In fact as of 2Q26, CXMT's gross margin was as high as 88%, very similar to what the larger rivals achieved (Exhibit 12).

- Our checks with consumer customers suggest that CXMT's price is similar to others', but we wonder if the comparable gross margin is a result of policy forcing SOEs & government agencies to pay higher prices. Even if this is true, this "subsidy" likely won't go away & will continue supporting CXMT, as China's localization policy very likely will remain in place for the foreseeable future.

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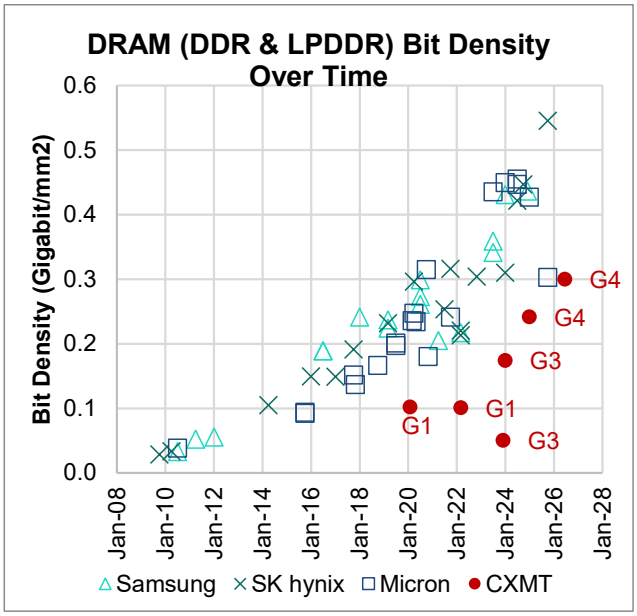


EXHIBIT 5: **... and also from bit density point of view, but CXMT's G4 has exceeded the threshold.**




Source: TechInsights & Bernstein analysis

EXHIBIT 6: **CXMT's latest node is G4 and its density is roughly 3-4 years behind global leaders.**




Source: TechInsights and Bernstein analysis

EXHIBIT 7: **CXMT's G4 is roughly equivalent to 1z or 1a nm from others, but others have advanced their technologies to 1c/1gamma nm.**

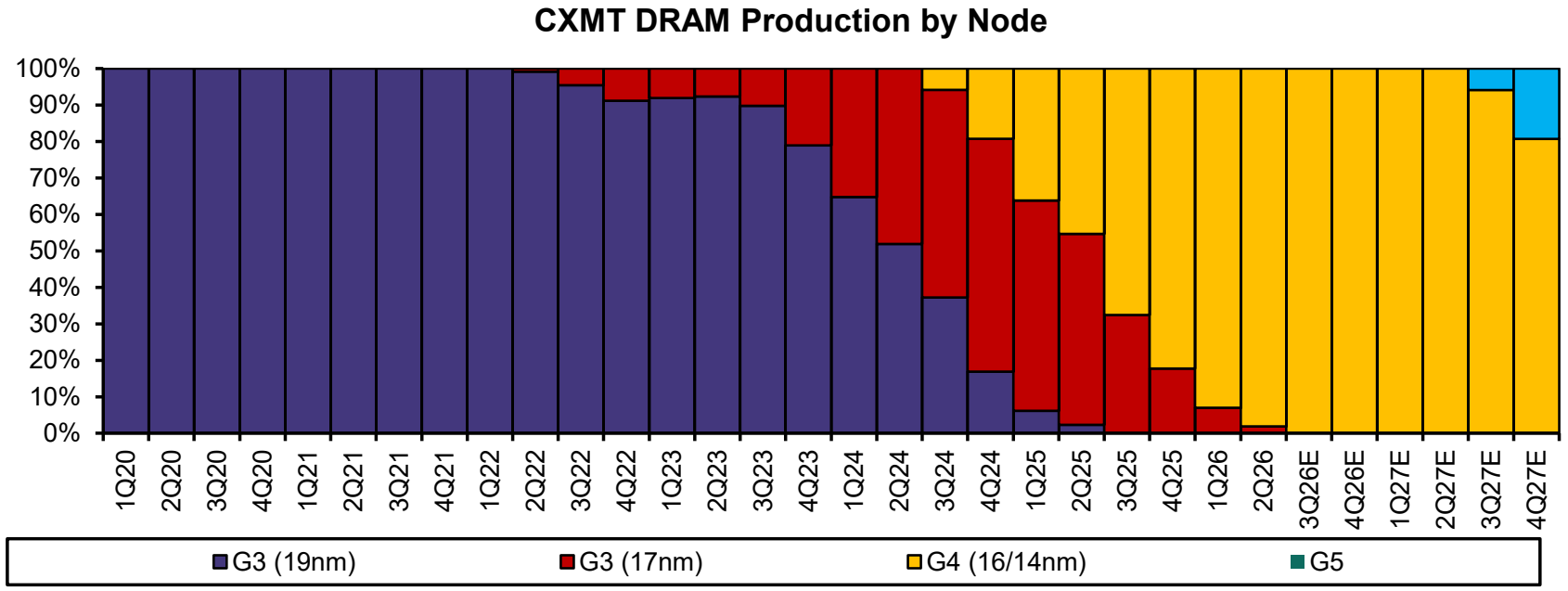
Updated on Sep 13, 2026

| | 2025 MS | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Samsung | 34% | 28 nm | 25/23nm | 20nm | 18 nm (1x) | | 17 nm (1y) | | | 15/16 nm (1z)* | | 13/14 nm (1a) | | 12 nm (1b) | 1c nm | | 1d nm |
| SK hynix | 36% | 29 nm | 25 nm | 21 nm | 18 nm (1x) | | 17 nm (1y) | | | 15/16 nm (1z) | | 14 nm (1a)* | | 12 nm (1b) | 1c nm | | 1d nm |
| Micron | 22% | 30 nm | 25 nm | 20 nm | 17 nm (1x) | | 17nm (1y | | | 15/16 nm (1z) | | 14 nm (1α) | | 13 nm (1β) | 1γ nm* | | 1δ nm |
| Nanya | 1% | 30 nm | | | | 2x nm | | | | | 1A nm | | | 1B nm | | 1C nm* | |
| CXMT | 6% | | | | | | G1 (2y nm) | | | | | G3 (1x-1ynm) | | G4 (1z-1anm) | | | G5 |

*: Beginning of EUV adoption in mass production; Samsung adopted EUV in 1x & SK hynix in 1y very limitedly

Company release, and Bernstein estimates and analysis.

EXHIBIT 8: **We believe CXMT will begin the migration to G5 in 2027.**



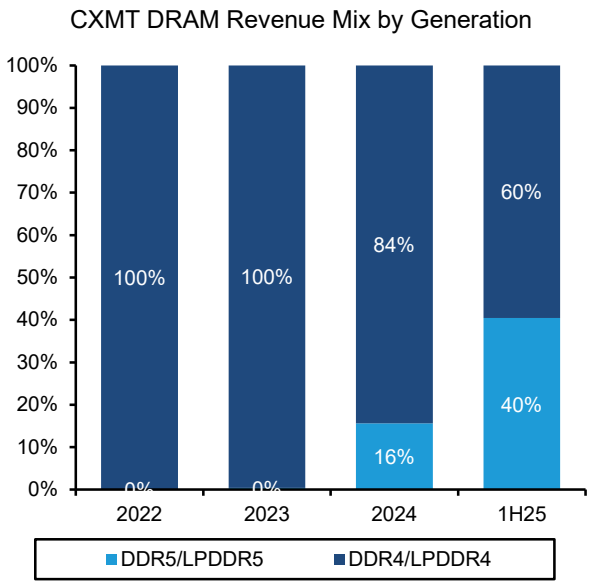

Source: TrendForce, Bernstein estimates and analysis

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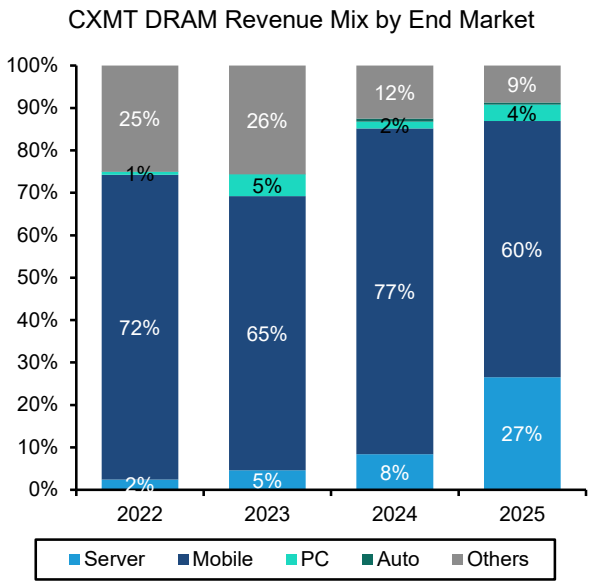


EXHIBIT 9: **40% of CXMT's DRAM revenue came from DDR5/LPDDR5 as of 1H25.**



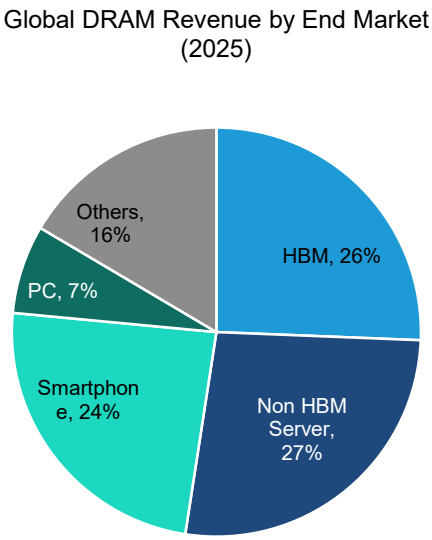

Source: Company reports and Bernstein analysis

EXHIBIT 10: **27% of DRAM revenue at CXMT was from servers in 2025.**



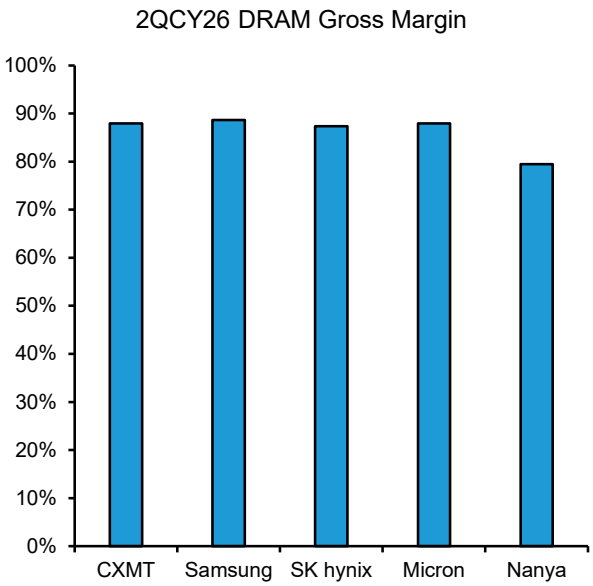

Source: Company report and Bernstein analysis

EXHIBIT 11: **Globally, server DRAM is 25-30% of DRAM market revenue in 2025.**




Source: Company reports, TrendForce and Bernstein analysis

EXHIBIT 12: **As of 2Q26, CXMT DRAM gross margin already reached a level similar to global incumbent players'.**




Source: Company reports and Bernstein analysis

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## CAN EXPORT CONTROL KEEP CXMT FROM GROWING & FROM AI (I.E. HBM)?

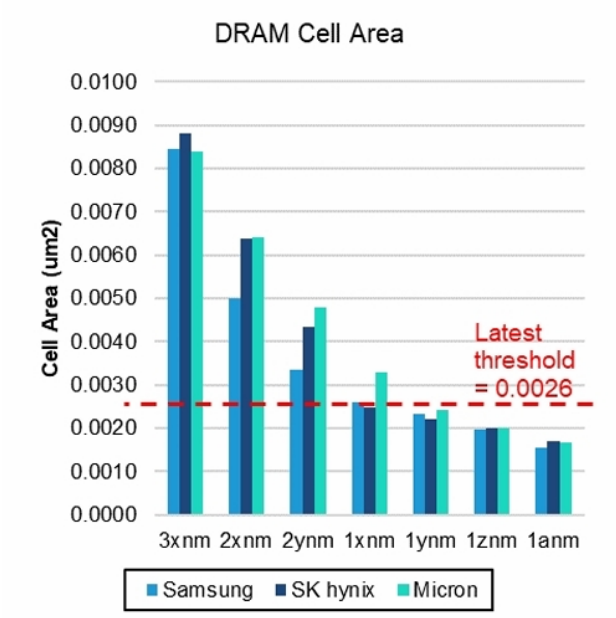
**Export restriction imposed by the US is a notable risk to the capacity & capex projection above.**

- The current restriction was announced by the US in Jan 2025. As analyzed in **this report**, the restriction keeps China, CXMT included, from importing equipment capable of producing DRAM with "cell area < 0.0026μm$^2$" or "bit density > 0.20Gb/mm$^2$", approximately equal to 18nm (i.e. between 1x & 1y) DRAM (Exhibit 13, Exhibit 5). CXMT's ability to produce HBM is also limited as the restriction additionally controls equipment capable of producing ">3000 TSVs per die". Finally, we note this restriction applies to non-US tools, and some high-end DUV (& certainly EUV too) systems from ASML are hence unavailable to CXMT.

- However after the restriction, CXMT surprisingly continued to expand & improve. Looking at Exhibit 5 closely, investors should note that CXMT's current generation G4 has already exceeded the boundary set by the export control. And its expansion and improvement do not seem to be simply a result of riding the current cyclical wave, as they also happened in 1H25 before the cycle started. It could be attributable to the "latent" capacity released from the imported equipment that CXMT stocked up beforehand, but if so the "latent" benefit is still helping CXMT even 1.5 years after the restriction turned effective, as in 2H25 & 1H26 CXMT also enjoyed more improvements than rivals (Exhibit 14-Exhibit 15). We hence make an important assumption & project CXMT can continue expanding effectively from now to 2028 despite the export restriction.

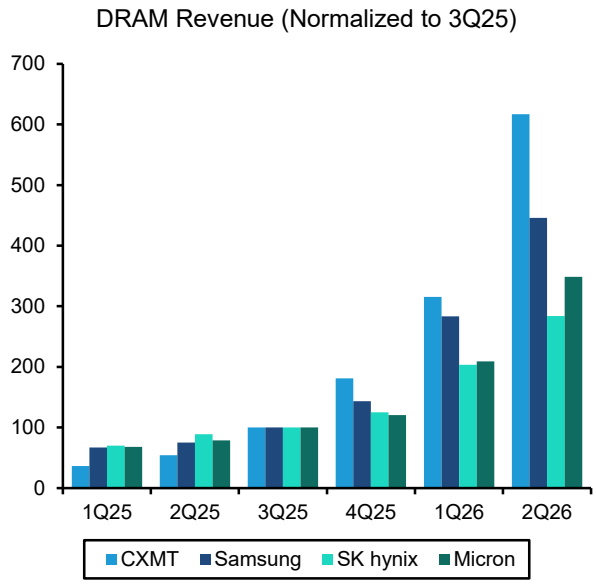
- That said, the benefit of the stockpiled equipment will eventually fade, and it will be a downside risk to our projection if CXMT can't find good enough Chinese alternative in time. The advancement of CXMT's technology, for example from G4 to G5, may also make it more difficult for local equipment suppliers. CXMT may experience yield difficulty and its expansion may have to slow down. A further downside to our projected expansion is that the US for example does not feel the dependence on rare earth from China any longer & decides to further tighten the restriction on CXMT. We will discuss how this would affect CXMT's HBM progress & its long-term technology roadmap later in this report.

EXHIBIT 13: **Current threshold of export control for DRAM production equipment is between 1x & 1ynm from cell area perspective ...,**




Source: TechInsights and Bernstein analysis

EXHIBIT 14: **After the export control announced in early 2025, CXMT continued to grow, and the growth existed even before the current cycle started.**

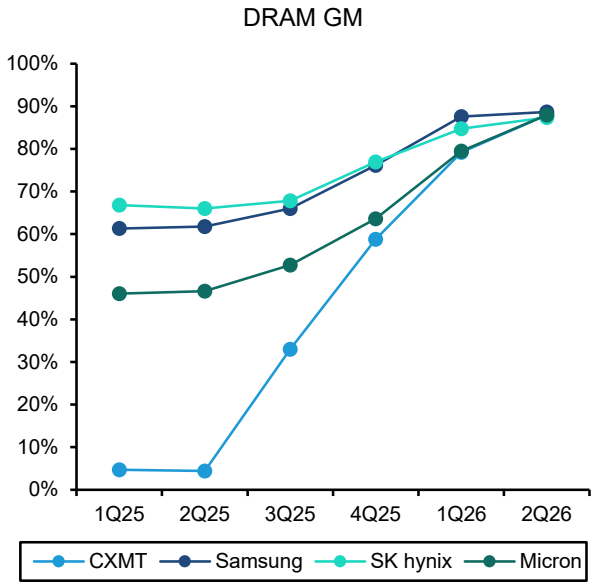



Source: Company reports and Bernstein analysis

on 21-Sep-2026



EXHIBIT 15: **1.5 years after the restriction, CXMT continued to improve. Its profitability has been comparable to the incumbents for 2 quarters.**




Source: Company reports and Bernstein analysis

**HBM is technologically difficult for CXMT, but we expect China to compromise with its own versions of HBM & CXMT's profitability will be protected by policy.**

- As HBM demands better performance and is difficult to yield, it will present a notable technology hurdle to CXMT. The hurdle will be in both front-end wafer fabrication & back-end packaging and very likely will make CXMT's HBM yield far lower than others'. CXMT likely has limited experience in the production steps unique to HBM, e.g. TSV & wafer/die bonding, and will find them challenging for example. Finally, the current export restriction bans China from importing equipment capable of ">3000 TSVs per die" but SK hynix puts >5600 TSVs per die in HBM3 and >20000 in HBM4. With technology complexity demands even denser TSVs in the future (Exhibit 16), the export control is becoming increasingly restrictive for CXMT. Finally, as Samsung adopts 4nm logic process in its HBM4 base die, advanced logic nodes are necessary to make base die faster enough for the future generations of HBM. Given China's struggle in advanced logic manufacturing, CXMT will find base die a difficulty in the future too. All these will make CXMT's HBM yield low and cost high.

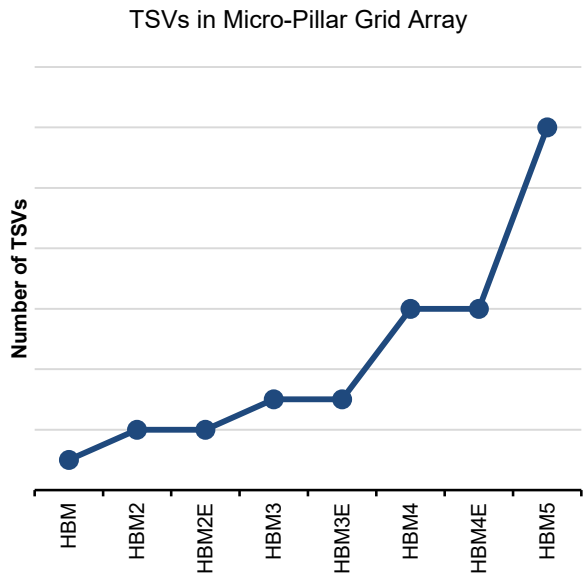
- However, the restriction set by both the US & China on importing GPUs has effectively divided HBM demand into two separate markets. Though Chinese AI labs & CSPs focus more on AI applications instead of frontier models, and have been innovating to reduce the use of memory including HBM, HBM is still necessary for many aspects of AI developments & deployments. They will find imports insufficient to fulfill their HBM demand, and will have no choice but to source HBM from CXMT. These customers thus will have to share the high cost, & CXMT's HBM profitability will thus be protected. Additionally, we also expect China to develop its own flavors of HBM, and "HiBL 1.0" & "HiZQ 2.0" announced by Huawei are an example. They will be paired with Ascend 950PR for pre-fill, etc. with lower cost & Ascend 950DT for decoding & training with higher cost, respectively (Exhibit 18). Given China's need to localize HBM, but also CXMT's yield difficulties with HBM, we expect such a compromise to extend to other Chinese AI accelerators too.

- We hence project CXMT to progress ahead from HBM3 (or something equivalent) this year to HBM3E in 2027 (Exhibit 17) but stay c. 3-4 years behind rivals (Exhibit 19). HBM will consume more capacity at CXMT gradually (Exhibit 20), and is projected to account for 9% of CXMT's revenue in 2028. We also model CXMT to get higher HBM price (Exhibit 22) to mitigate the yield & cost difficulty so that the gross margin of HBM, though not as good as that of conventional DRAM, will stay satisfactory in our forecast horizon (Exhibit 23).

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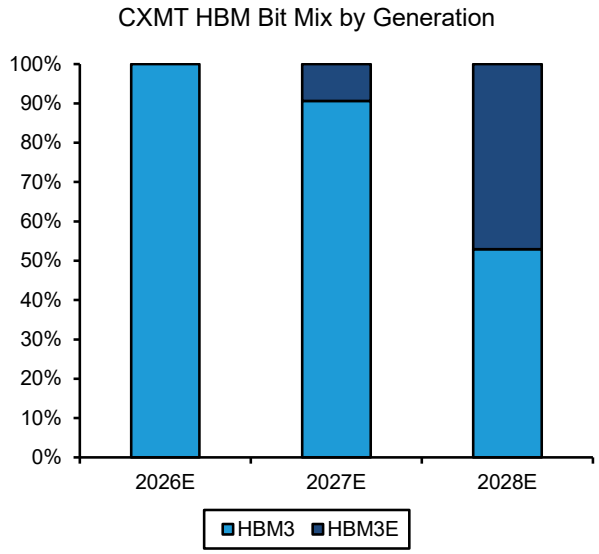


EXHIBIT 16: **Higher technology complexity and higher TSV density will make the existing export control increasingly difficult for CXMT.**




Source: Samsung and Bernstein analysis

EXHIBIT 17: **We model CXMT's HBM production to begin with HBM3 and start to shift to HBM3E next year.**




Source: Bernstein estimates and analysis

EXHIBIT 18: **Huawei's Ascend 950 AI accelerators come equipped with its own design of HBM, named HiBL and HiZQ.**

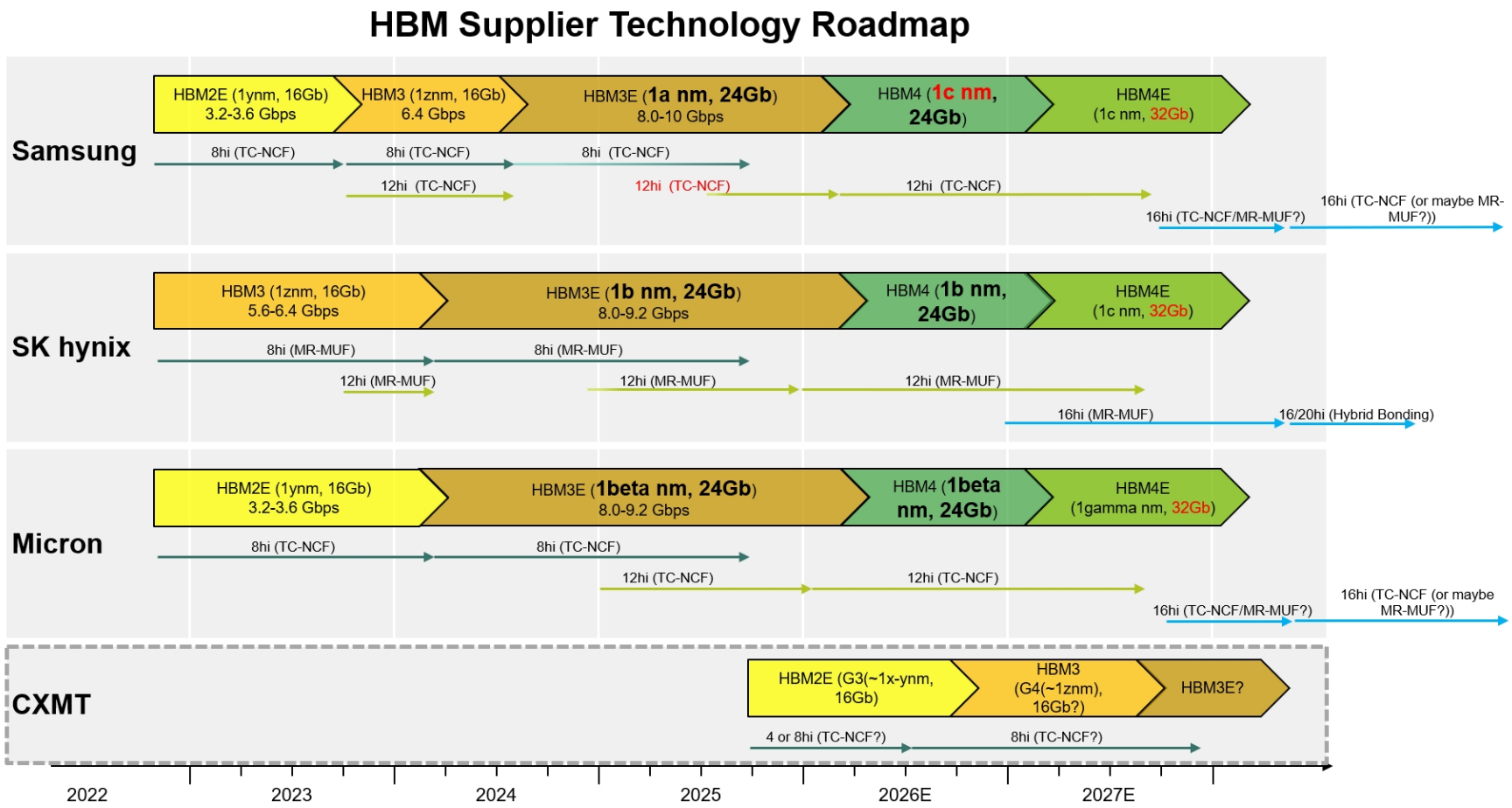
| Chip | Launch | Usage | Interconnect bandwidth | Compute power | HBM | Memory capacity | Memory bandwidth |
|---|---|---|---|---|---|---|---|
| **Ascend 950PR** | 2026 Q1 | Prefill and Recommendation | 2 TB/s | 1 PFLOPS FP8, 2 PFLOPS FP4 | HiBL 1.0 | 128 GB | 1.6 TB/s |
| **Ascend 950DT** | 2026 Q4 | Decode and Training | 2 TB/s | 1 PFLOPS FP8, 2 PFLOPS FP4 | HiZQ 2.0 | 144 GB | 4 TB/s |

Source: Huawei and Bernstein analysis

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EXHIBIT 19: **CXMT's HBM technology likely remains c. 3-4 years behind the incumbents'.**




**Note**
- TC-NCF: thermal compression bonding with non-conducting film
- MR-MUF: mass reflow-molded underfill

Last Revision: Sep 7, 2026

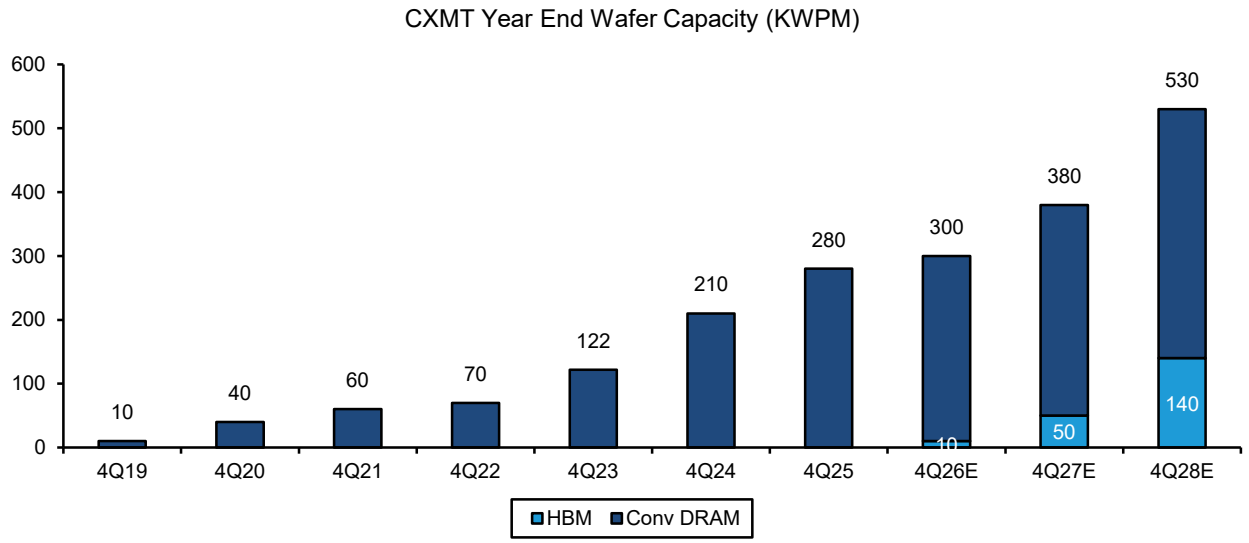
Source: TrendForce, Bernstein estimates and analysis

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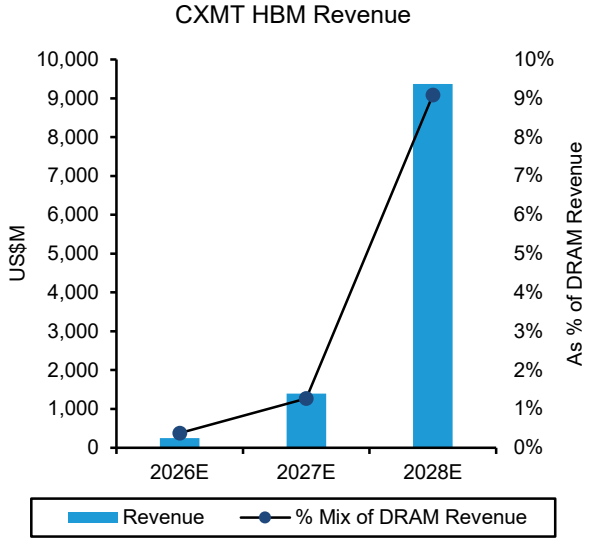


EXHIBIT 20: **We project HBM to take up more wafer capacity at CXMT going forward.**



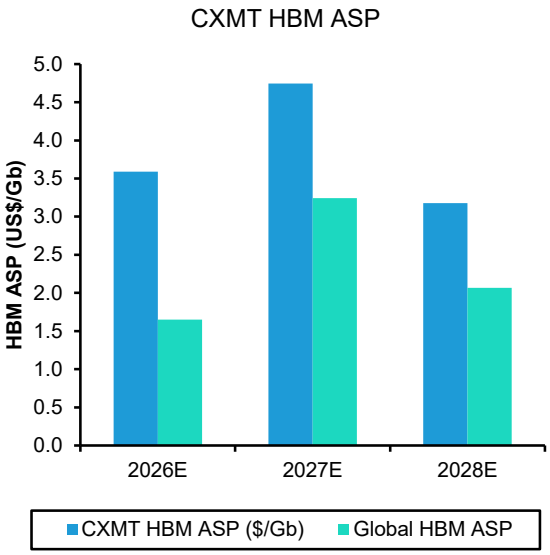

Source: TrendForce, Bernstein estimates and analysis

EXHIBIT 21: **We model CXMT's HBM revenue to rise to 9% of its total DRAM revenue in 2028.**




Source: Bernstein estimates and analysis

EXHIBIT 22: **We expect CXMT's HBM will command a price premium over global suppliers' products to compensate for yield and cost difficulty.**

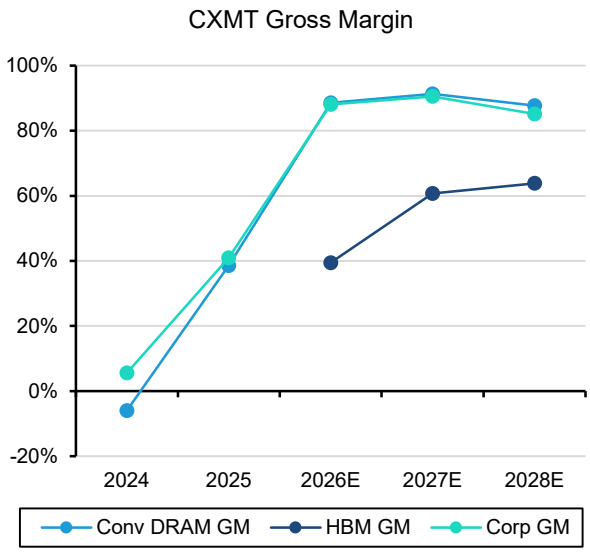



Source: Bernstein estimates and analysis

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EXHIBIT 23: **We expect localization policy will make CXMT's HBM revenue earn satisfactory gross margin.**




Source: Company reports, Bernstein estimates and analysis

**DUV may be enough to sustain CXMT's competitiveness for 3-5 years. Moreover, whether other equipment emerges as a bottleneck remains to be seen.**

- As Micron does not adopt EUV until 1gamma nm, it suggests that DUV can effectively produce DRAM up to 1b/1beta nm. For CXMT, we expect the company to stretch the reach of DUV further, possibly to 1c/gamma nm or even one more node. Such a stretch will result in yield difficulties and deteriorating economy for CXMT. However, this burden will be shared by Chinese government and domestic supply chain, and accordingly it is conceivable that even constrained at DUV CXMT can stay competitive for 2-3 generations (from 1z-1anm now to possibly 1c-1dnm), or equivalently for another 3-5 years.
- Furthermore, foreign non-lithographic equipment is also restricted under the existing export control. As Chinese semicap suppliers generally offer more capable alternative to the imported equipment in these areas, we assume this is less of an issue for CXMT but will continue to monitor if CXMT's expansion & technology development can proceed as planned.
- Notably though CXMT is restricted on advanced equipment, the export control actually allows most of these tools to be sold to other fabs in China & certainly in other countries. This makes enforcement difficult, and somehow subject to the will and resources that US government has, as a "grey second-hand market" may emerge and some restricted equipment or spare parts may eventually find their ways to CXMT.
- On the flip side, the discussion above also implies that for the investors of the incumbent DRAM suppliers, both cycle sustainability & the threat from CXMT are important investment considerations.

**Lack of EUV limits CXMT's long-term runway, but CXMT is trying to overcome that with $4F^2$ and 3D DRAM. Neither of them is easy though.**

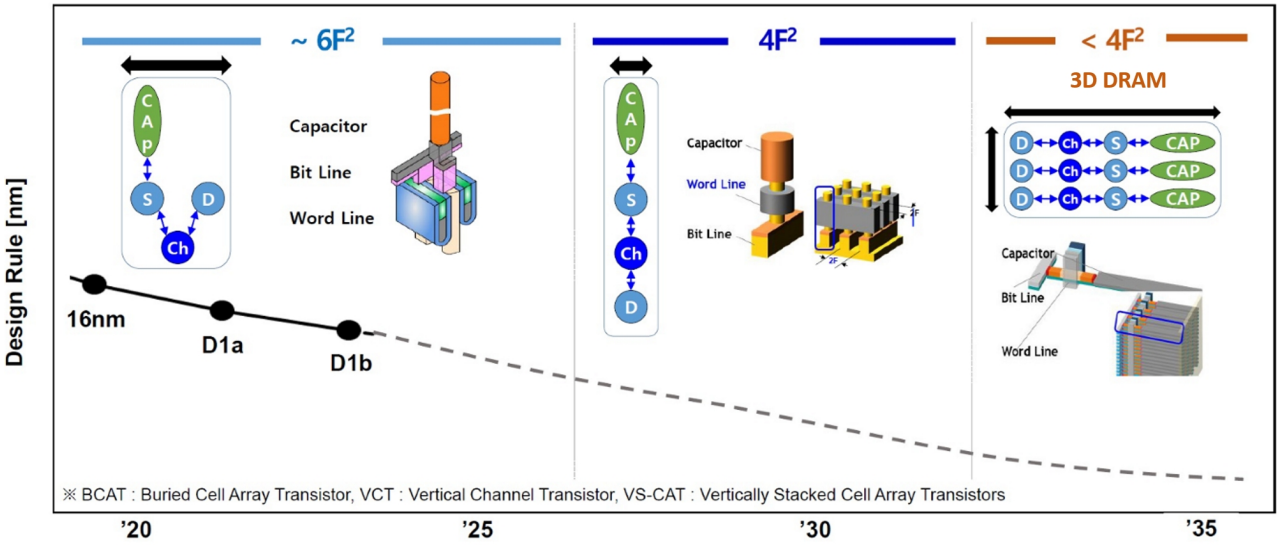
- CXMT is well aware that lack of EUV is a long-term issue, and has been devoting R&D resources to technologies that promise to circumvent the need of EUV in DRAM. $4F^2$ differs from the $6F^2$ structure employed in DRAM currently and can shrink DRAM cell size without better lithography (Exhibit 24-Exhibit 25). $4F^2$ is however a one-time fix, as after the $4F^2$ adoption further shrink will still rely on EUV. 3D DRAM builds more & more DRAM cells vertically in a wafer. It differs from the 2D structure currently and will fundamentally remove the need of EUV. Further density improvement will be from building more cells vertically and will not require EUV, as we saw when NAND transitioned from 2D to 3D. Our recent **AI memory primer** discussed $4F^2$ and 3D DRAM more, as well as other important memory technologies for AI.

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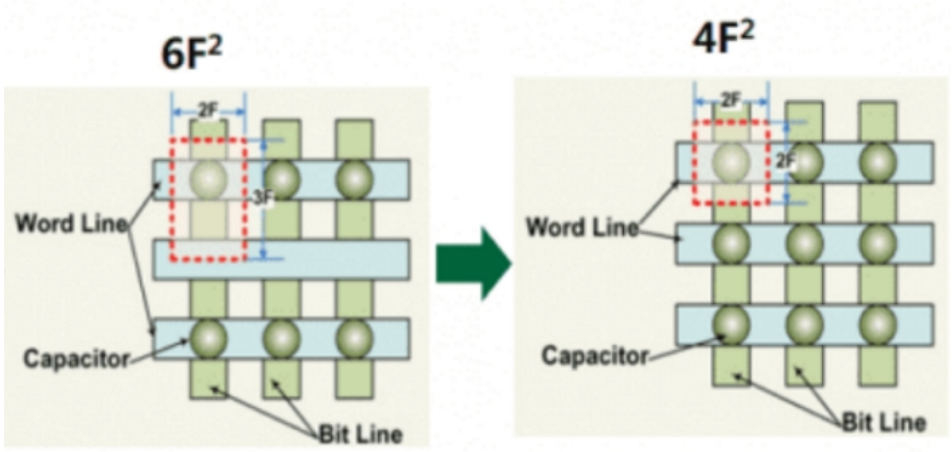
- That said rivals have been exploring both $4F^2$ and 3D DRAM for years too. Their universal decision to use EUV over these two suggests that $4F^2$ & 3D DRAM have technological difficulties & uncertain economy and EUV is thus a better choice. We thus for now assume neither of the two innovations will be commercially competitive and CXMT will become increasingly less competitive 3-5 years from now.

EXHIBIT 24: **6F2 is the prevailing structure of DRAM cell, but the industry, including CXMT, is trying to advance to 4F2 structure & to 3D DRAM.**




Source: Samsung, Bernstein analysis

EXHIBIT 25: **A top view of DRAM cell arrays to illustrate the change from 6F2 to 4F2. By moving peripheral circuits below capacitor in the same wafer, or even to a different wafer, 4F2 architecture reduces the area of a DRAM cell from 6F2 to 4F2.**




Source: Samsung

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## COMPETITIVE ONLY IN CHINA & IN LOW-END SEGMENTS?

**CXMT has been selling its products mostly to domestic customers, but we expand CXMT to expand its customer base to non-Chinese customers over time despite geopolitical concerns.**

- CXMT reports that most of its revenue has been from Hong Kong, with the rest from Mainland China (Exhibit 26). However CXMT indicated this is because majority of CXMT's customers choose to transact in USD, and settlement is considerably more convenient in Hong Kong. Hence, we assume many Chinese customers set up entities in Hong Kong for this reason, as well as for trading, distribution, etc., and assume CXMT generates most of its revenue from Chinese customers. In 2025, revenue mix directly from Mainland China increased, mainly because more customers requested to settle in RMB.

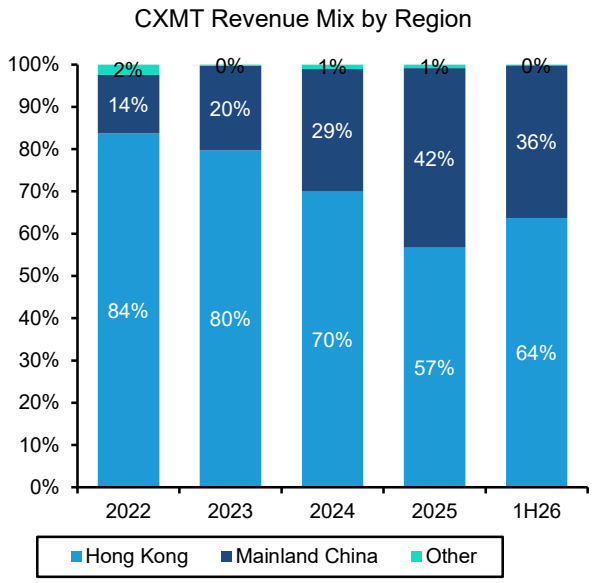
- Some argue geopolitical concerns will make CXMT unable to address overseas market. However, Chinese OEMs have been exporting CXMT's memory to other countries, when they export their PC, smartphones, etc. overseas. Lenovo exporting PC with YMTC's NAND-based SSD in Germany is an example. Chinese AI models being used overseas is another, at least the training part even when they are open sourced & foreign users deploy these models on servers outside of China.

- Our checks also find many non-Chinese OEMs & module makers are OK to install CXMT's DRAM (& YMTC's NAND too) in products sold globally except in the US. Reportedly Apple is trying Chinese memory too. All these make us conclude that CXMT may not be able to penetrate customers that are geopolitical sensitive (e.g. foreign AI model labs, hyperscalers, government agencies), but CXMT will be able to address the rest of the overseas DRAM market.

**Application-wise, CXMT's DRAM has been used in basically all applications, with quality sufficient to derive 25-30% of its total revenue from servers in 2025.**

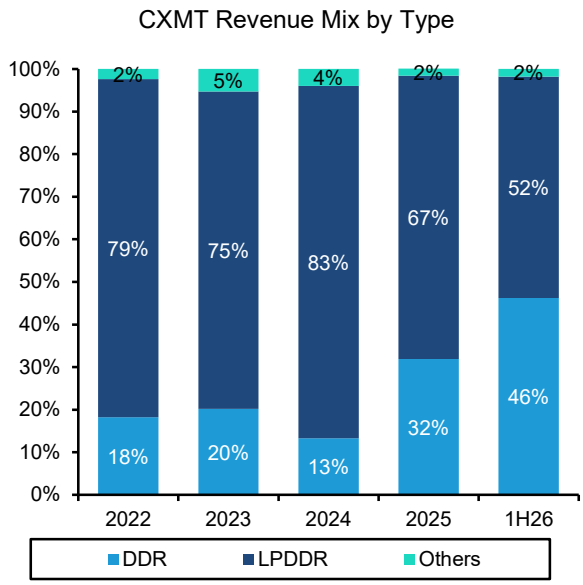
- CXMT started with LPDDR for mobile applications (Exhibit 27, Exhibit 10), but entered DDR and other applications soon after. In 2025, CXMT derived over 30% of its revenue from DDR, and 25-30% from servers. Servers contributing significant revenue is particularly important, as they require higher quality and the contribution attests CXMT's product quality is already sufficient to satisfy this requirement.

EXHIBIT 26: **CXMT's revenue almost entirely comes from mainland China and Hong Kong**




Source: Company reports and Bernstein analysis

EXHIBIT 27: **Majority of CXMT's revenue has been from mobile DRAM though DDR's mix has been increasing rapidly too.**




Source: Company reports and Bernstein analysis

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**With lagging technology, CXMT's bit share will be lower than its wafer capacity share but is still expected to rise from 8% in 2Q26 to 13% in 2028.**

- While we expect CXMT will have more wafer capacity than Micron in late 2028, we also highlight that CXMT's technology is lagging and won't generate as many bits per wafer as rivals'. CXMT's bit share accordingly will be lower than its wafer share, but is still modeled to rise from c. 9% this year to 12% in 2028 (Exhibit 28).

- We further highlight this accounts for the difficulty in HBM and thus CXMT's lower share in HBM vs. conventional DRAM. Should we focus on conventional DRAM only, CXMT's share will increase from c. 10% this year to 14% in 2028.

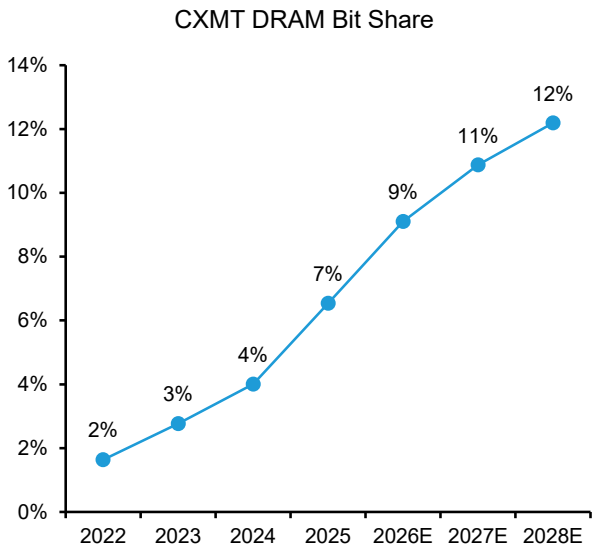
**We project CXMT's revenue share similar to its bit share, as conventional DRAM remains the bulk of the DRAM market & its commodity nature will make CXMT's price similar to others'.**

- As shown in Exhibit 29, we forecast HBM's contribution will hover around c. 20% of the overall DRAM market & conventional DRAM will still represent most of the market in the next several years. It is because conventional DRAM enjoys a larger price hike than HBM in the near term. More importantly the structural shift from training to inference and agentic workload tilts the mix from HBM to conventional DRAM in the long run too.

- Export control divides HBM, & AI processor in general, into two separate markets & likely will make HBM's price/economy differ significantly in China vs. elsewhere. For conventional DRAM, though we recognize the policy of localization may help CXMT enjoy higher price at geopolitically-sensitive Chinese customers, most of CXMT's conventional DRAM is however sold to civilian applications or private sectors in which CXMT's price has to be competitive.

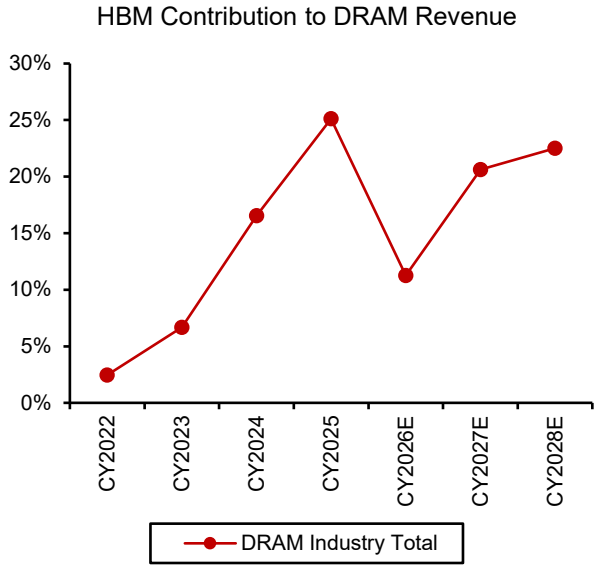
- Given that, and given conventional DRAM remains the bulk of the DRAM market, we model CXMT's corporate blended ASP similar to others'. This in turn will make CXMT's revenue share similar to its bit share. As shown in Exhibit 30, we project the revenue share to reach 13% in 2028, up from 10% this year.

EXHIBIT 28: **We model CXMT's share to rise steadily despite its lagging technology.**




Source: Company reports, Bernstein estimates and analysis

EXHIBIT 29: **We believe HBM will be minority & conventional DRAM will stay the majority of the industry total DRAM revenue in the next several years.**

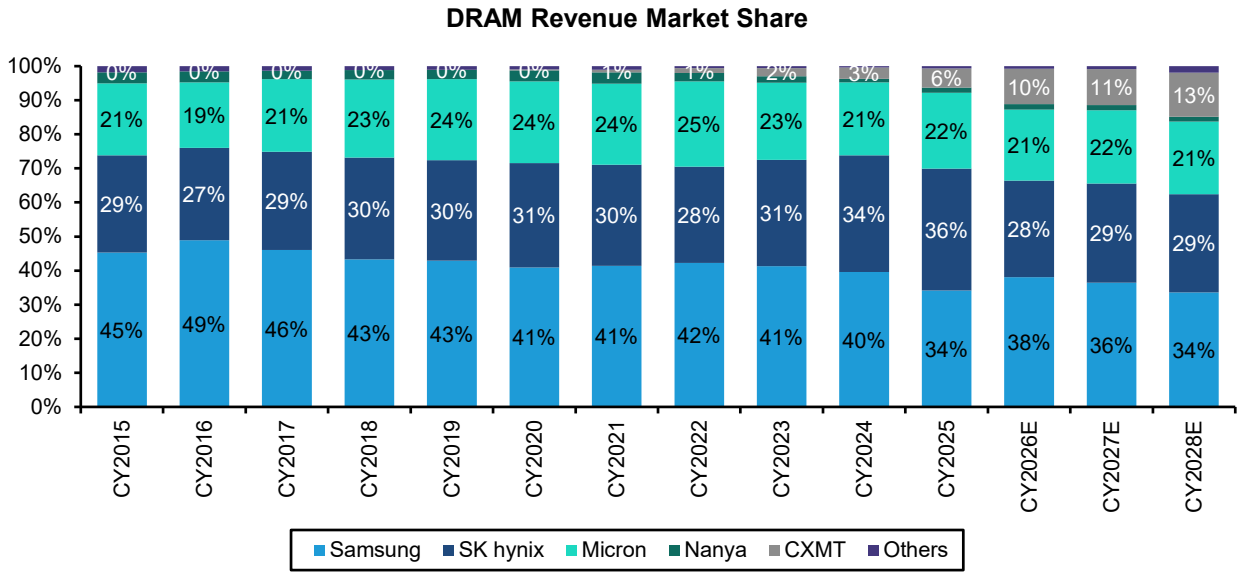



Source: TrendForce, company reports, Bernstein estimates and analysis

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EXHIBIT 30: **We forecast CXMT's revenue market share to reach 13% in 2028.**




Source: Company reports, Bernstein estimates and analysis

## CAN CHINA BE SELF-SUFFICIENT IN DRAM?

**We estimate Chinese OEMs represent 20-25% of the global DRAM demand. Fulfilling only 40-45% of that now, CXMT still has ample growth headroom from domestic customers.**

- As discussed above, Chinese OEMs installing CXMT's DRAM in their products & selling the products abroad will extend CXMT's TAM to other countries. Investors thus should not assume CXMT's TAM is limited to China's domestic consumption. We call the amount of DRAM procured by OEMs "design TAM" and will use that to estimate how much self-sufficiency CXMT helps China achieve in DRAM.

- Gartner estimates that in 2026, 58% of the global DRAM demand will be from compute applications (e.g. PC & server). Mobile applications (mostly smartphone) is the second-largest segment and will account for 22%. As more & more AI data centers are being built, Gartner forecasts the % contributed by compute will rise, to 67% in 2030 (Exhibit 31).

- Gartner further considers Chinese OEMs' share in the global design TAM for different applications. For example China's large presence in handset ecosystem explains why Chinese OEMs' share in the mobile design TAM is higher at 41%. The share in computing is lower, and will become even lower as other countries build more AI data centers than China. We then calculate a weighted average and estimate Chinese OEMs represent about 20-25% of the overall DRAM demand globally this year (Exhibit 32).

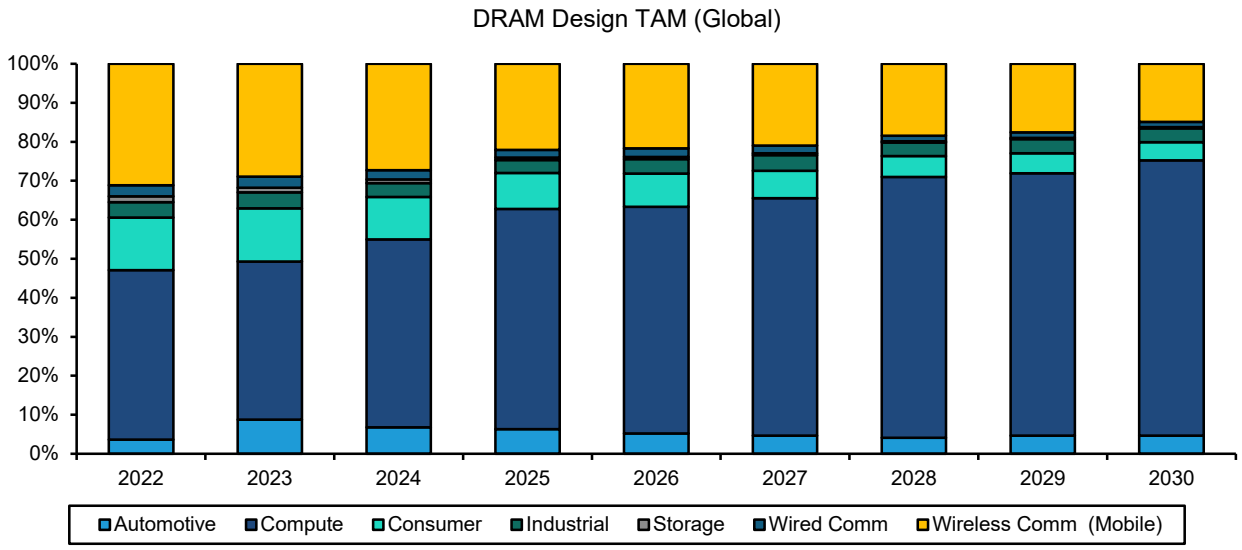
- Combining that with the assumption that all CXMT's revenue is from Chinese OEMs, we estimate CXMT enables China to achieve ~40-45% self-sufficiency in DRAM this year (Exhibit 33).

- We can then further conclude growth headroom is still ample and should be sufficient to absorb most of the rapid capacity expansion that CXMT is set to do in the next few years.

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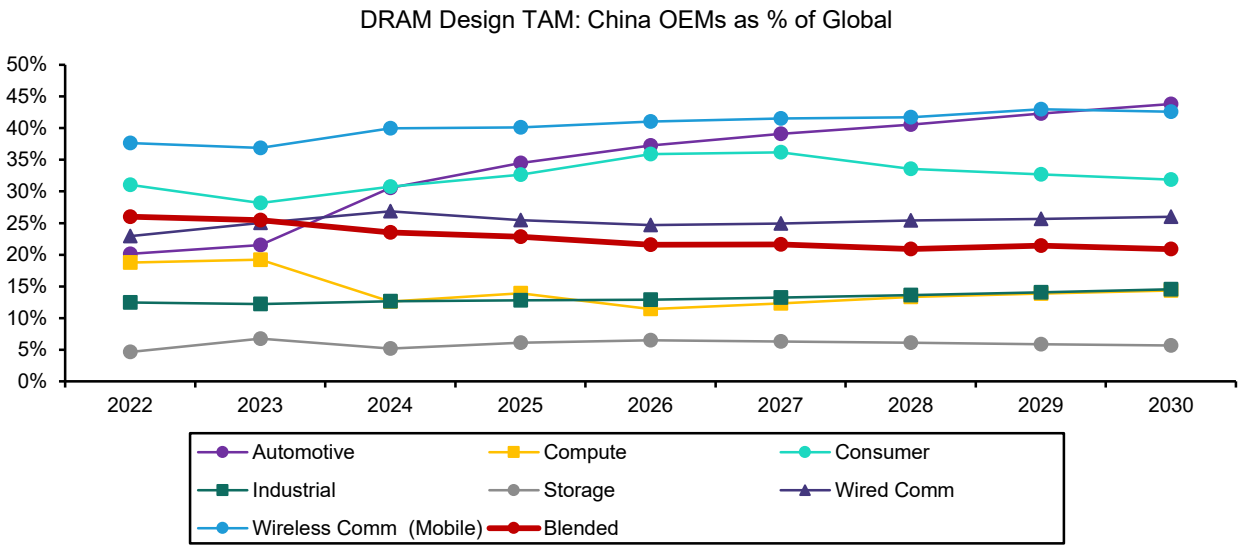


EXHIBIT 31: **Driven by AI data centers compute application is expected to represent a bigger part of the global DRAM market in the next 5 years.**




Source: Gartner and Bernstein analysis

EXHIBIT 32: **China OEMs have a high share in DRAM demand in mobile end market. However with a much lower share in compute end market, their overall blended share is 20-25% of the global DRAM demand.**

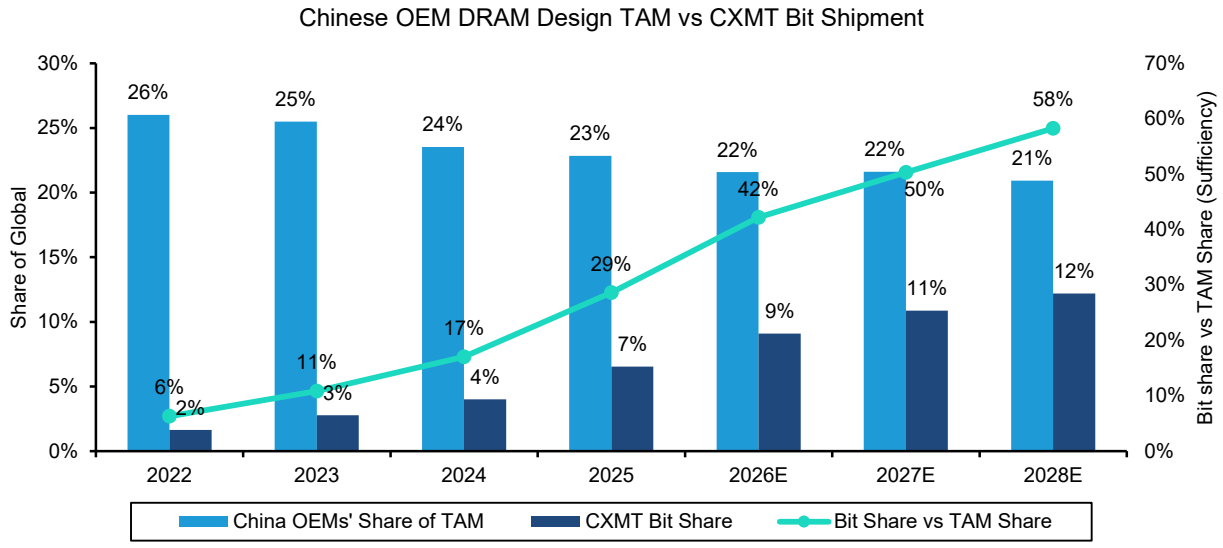



Source: Gartner and Bernstein analysis

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EXHIBIT 33: **Comparing with China OEMs' share of DRAM design TAM with CXMT's market share, we estimate CXMT enables China to achieve 42% self-sufficiency this year.**




Source: Gartner, Company reports, Bernstein estimates and analysis

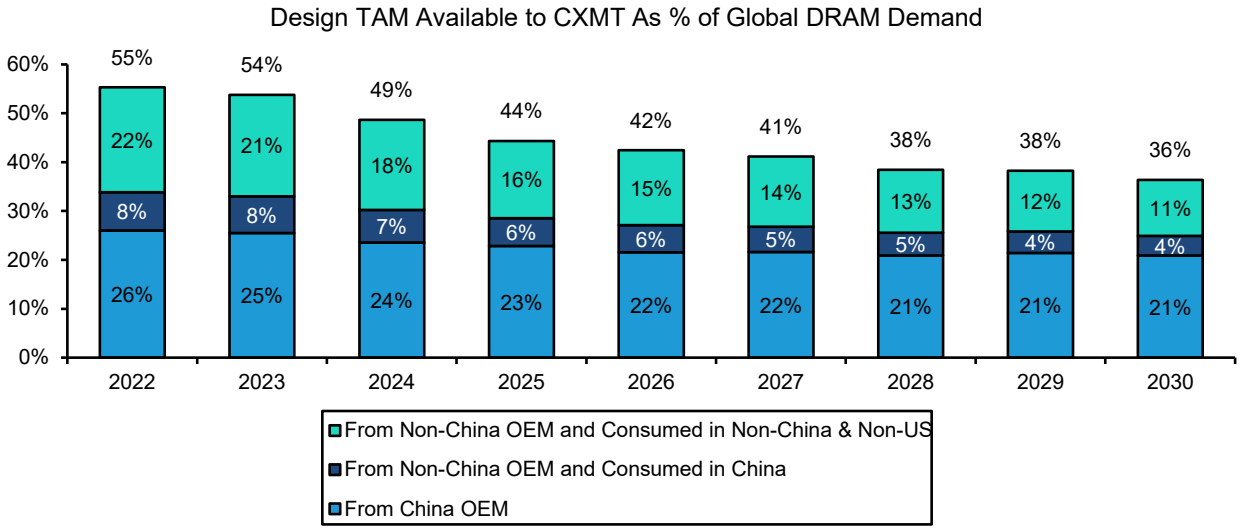
**We believe consumer applications sold outside of the US can be addressed by CXMT too & should be part of its TAM. We estimate CXMT to capture only 21% of this "expanded TAM" this year, implying even bigger growth headroom.**

- As foreign OEMs may choose to adopt CXMT DRAM in the products sold in countries outside the US, we find the TAM addressable by CXMT can expand to 42% of the global DRAM demand this year. This "expanded TAM" assumes only PC, mobile and consumer applications, but excludes demand from server, auto, etc. on geopolitical concerns (Exhibit 35). Compared to this "expanded TAM", CXMT's share will be only about 21% this year, implying a growth headroom even bigger than what we discuss above (Exhibit 35).

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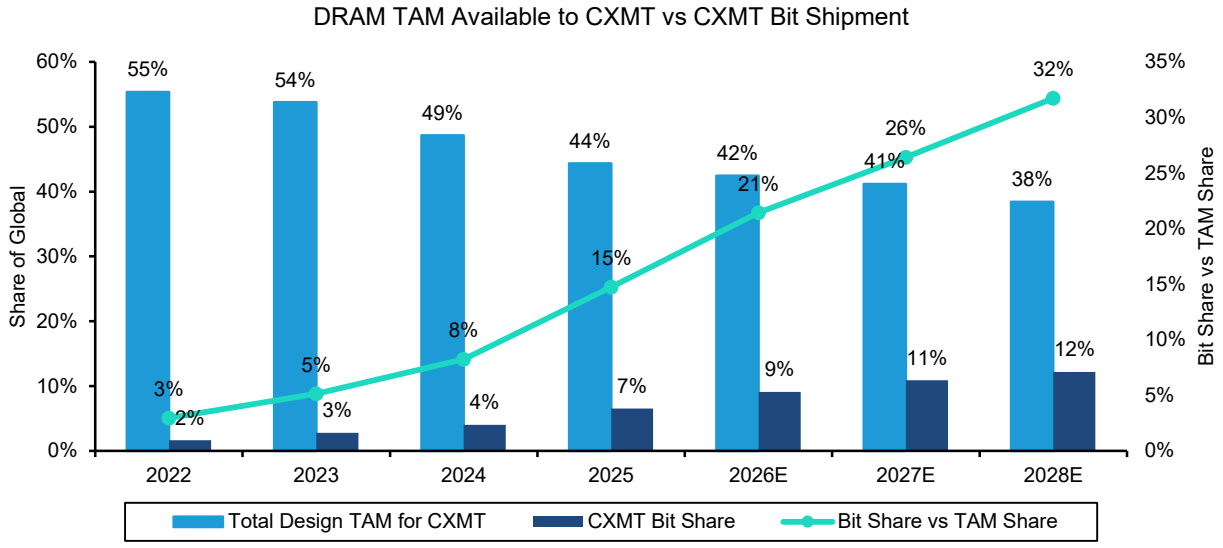


EXHIBIT 34: **If we also include foreign OEMs DRAM demand for consumer products sold in China and other non-US countries as the TAM available to CXMT, the TAM can be 42% of the global DRAM demand this year & 36% in 2030, based on Gartner's projection.**




Source: Gartner and Bernstein analysis

EXHIBIT 35: **As CXMT's global share is only at 9% in 2026, it implies CXMT's penetration of the "expanded TAM" is just 21% this year.**




Source: Company reports, Gartner, Bernstein estimates and analysis

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## FINANCIAL PROJECTION COMBINING BOTH CYCLICAL & IDIOSYNCRATIC PERSPECTIVES

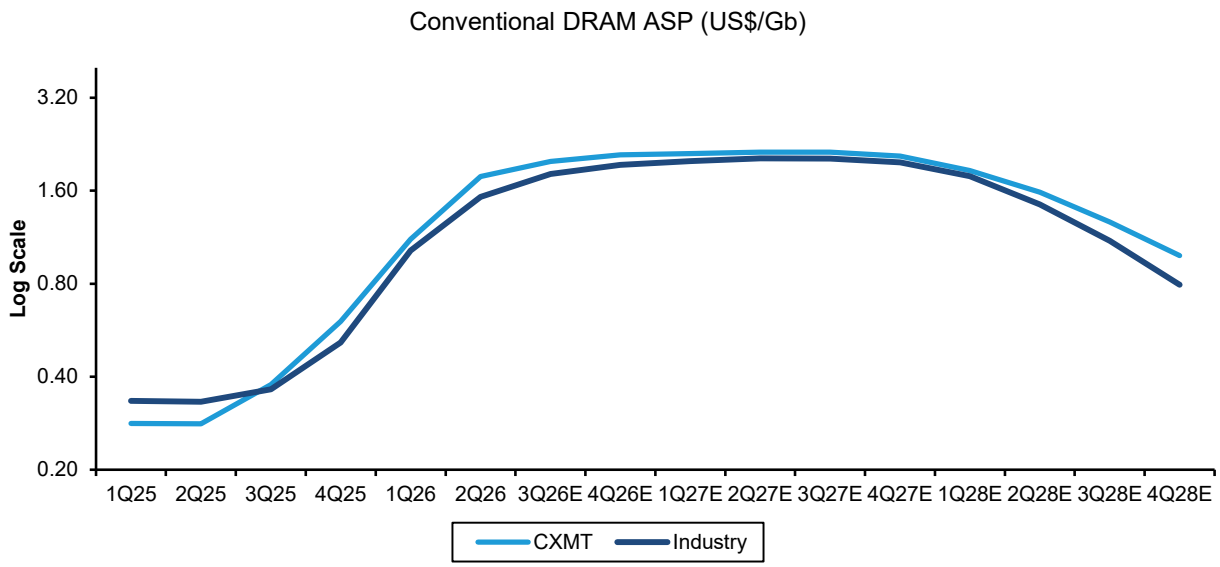
**Robust price through 2027, but policy & catching-up HBM should make CXMT more resilient when the market "normalizes" in 2028.**

- Based on its financial results, we believe CXMT enjoyed a steeper price increase from 3Q25 than the global incumbents. We don't think there is material price disparity between CXMT and the incumbents, and perhaps CXMT may enjoy some price premium by selling more through distribution channels, where prices likely are higher than mainstream contract prices. Going forward, we expect some further price increase for both the industry and CXMT. And we expect DRAM price to stay elevated or inch higher for most of 2027 as DRAM shortage persists.

- Into 2028, we continue to expect some normalization in DRAM supply/demand and thus price. We model market DRAM price to go through a steady drop throughout 2028. We don't expect CXMT to escape the market cyclicality, but we think the support from localization demand will help its price more resilient (Exhibit 36).

- Furthermore, as mentioned earlier, we expect CXMT to put more capacity into HBM. HBM is of national strategic importance and we believe HBM pricing will be more stable & allow CXMT to earn decent margins. HBM does not generate revenue for CXMT today, but will contribute more and more especially in 2028. This "catch-up" in HBM hence should dampen the impact of falling conventional DRAM price and make CXMT more resilient in 2028 too. Overall we model CXMT's revenue to surge 633% and 63% in 2026 and 2027, and drop slightly by 6% in 2028 (Exhibit 37).

EXHIBIT 36: **We expect CXMT's DRAM ASP to trend largely together with global DRAM pricing, but possibly stay more resilient supported by localization demand.**

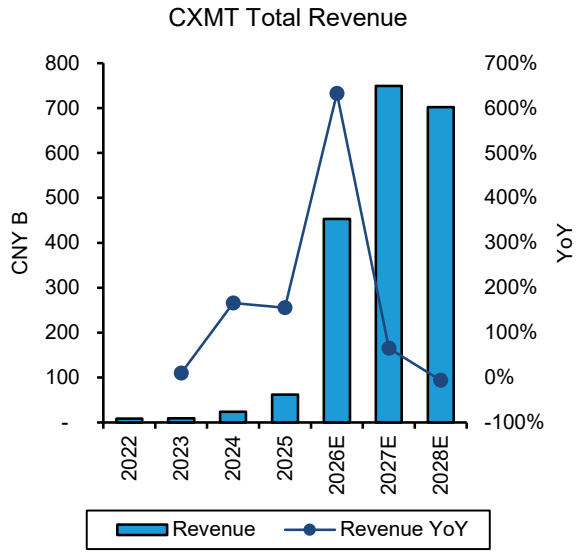



Source: Company reports, Bernstein estimates and analysis

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EXHIBIT 37: **We forecast CXMT's revenue to surge 633% and 63% in 2026 and 2027, before dropping slightly by 6% in 2028.**




Source: Company reports, Bernstein estimates and analysis

**CXMT's margin has been surprisingly good and largely on par with the incumbents' now. The ability to weather downturns is likely similar too.**

- CXMT was significantly behind leaders in profitability before. It was mostly due to high fixed cost burden but as its scale increased the gap was narrowing quickly. Also thanks to surging pricing, CXMT's margins improved remarkably from 2H25 and as of 2Q26 was pretty much on par with the global incumbents' (Exhibit 38-Exhibit 39). This is despite being behind in process nodes and was a surprise to us. We think main reason is likely the lack of HBM in CXMT's sales mix now, which actually is a margin drag today compared to conventional DRAM. Apart from that we also suspect CXMT may enjoy some cost advantage in construction and operation. We also highlight that if we exclude D&A and look at EBITDA margin, CXMT was already approaching the incumbents in 2024 and roughly in line in 1H25 (Exhibit 40). All these suggest even before the DRAM price upcycle, CXMT likely was already competitive on cash cost. More importantly, similar EBITDA margin implies similar cash cost, and hence that CXMT's ability to weather future downturns is likely similar to the global incumbents too.

**Aggressive capex will create a cost burden, but the drag should be minimum vs. the elevated memory prices.**

- Going forward we model gross margin to improve marginally in 2H26 and stay elevated at around 90% throughout 2027. Margins should decline in 2028 along with ASP but should remain above 80% for GM and 70% for OPM by 4Q28 (Exhibit 41). We think cost reduction per year will decelerate from prior years but remain decent in 2026 and 2027, driven by G4 yield improvement. Notably we model average cost per bit to increase in 2028 due to heavier D&A burden and more importantly more wafers allocated to HBM production (Exhibit 42). That said price is still more important than cost & will remain the much bigger driver of margins then.

**We don't model dividend or buyback, and assume CXMT to preserve ample cash to expand future capacity regardless of cycles.**

- CXMT's Articles of Incorporation does stipulate a minimum of 10% of the company's annual distributable profit must be paid back to shareholders as cash dividends. Nonetheless, the requirement is conditional on the firm not expecting "major capital expenditure". And we think the rapidly rising capex going forward likely can qualify as being major and spare CXMT from having to pay anything. So our model does not model any dividend payout up to 2028. Even if CXMT does pay anything we think it likely will be at the minimum 10% level and not very material for investors.

on 21-Sep-2026



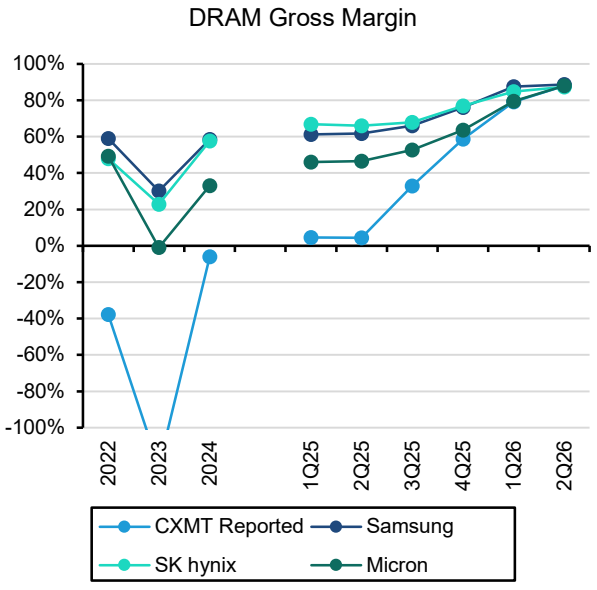
- On a high level CXMT's long term goal of achieving DRAM self-sufficiency for China would require significant and continued capex for many years. As a result we think CXMT would prefer to keep cash in hand so that it can execute its capacity plan without disruption from memory cycles. In 2H26 earnings online Q&A, CXMT also indicated that it would prioritize on capex as the company remains in capacity expansion phase.

**Share of minority interest has seen drastic changes lately and presents significant uncertainty to our EPS forecast.**

- CXMT took funding from government when building its fabs in earlier years. Specifically Hefei Fab 2 and Beijing Fab 1&2 both relied on funding from external parties. CXMT actually has only around 30% stake in these fabs, but exerts control over them through acting-in-concert agreement with other major shareholders, and hence is able to consolidate these fabs into its financial statements. That is why minority interests' share of net profit/loss increased meaningfully from 2022 to 2025 as these non-wholly owned fabs ramped up and took a bigger share of the overall profit. Minority interests' share in consolidated profit reached 63% in 2H25, reflecting the fact that CXMT only has ~30% stake in these fabs which take up 2/3 of CXMT's wafer capacity and possibly a bigger share of bit output (Exhibit 43).

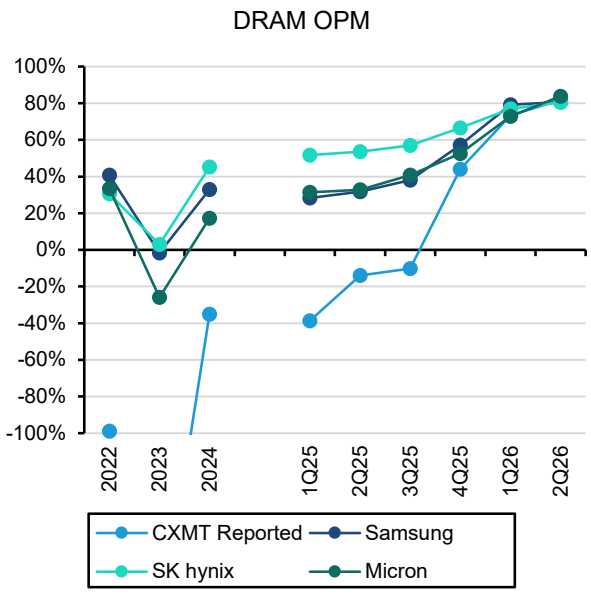
- However, minorities' share fell drastically to 25-29% in 1H26 and we were not sure why. It likely involved some inter-subsidiary transactions but we couldn't find any specifics from the disclosures. This makes our forecast uncertain. Furthermore, capital structure of future fabs, whether they will be wholly owned by CXMT parent, or continue to involve minority shareholders, is also unknown and will have an impact on minorities' share of profit and therefore EPS forecast of CXMT too. In our forecast we choose to assume that minority's share stay at 25% going forward & highlight that as a major risk to our EPS projection.

EXHIBIT 38: **CXMT's margin was behind by a wide margin before 2025...**




Source: Company reports and Bernstein analysis

EXHIBIT 39: **... but has been improving quickly and is now roughly on par with incumbents'.**

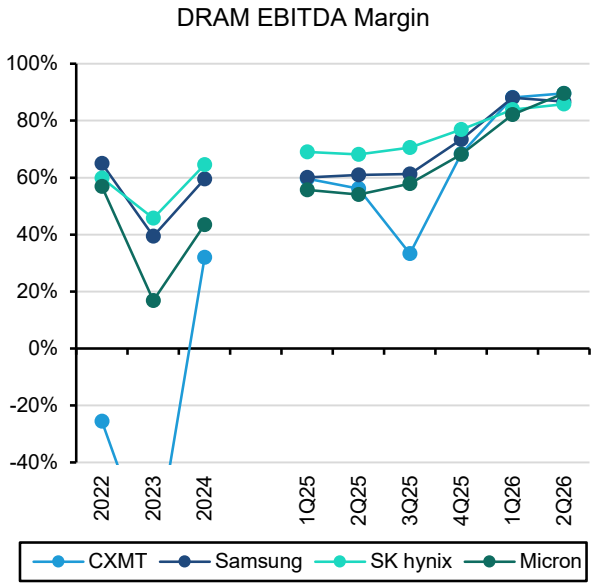



Source: Company reports and Bernstein analysis

on 21-Sep-2026

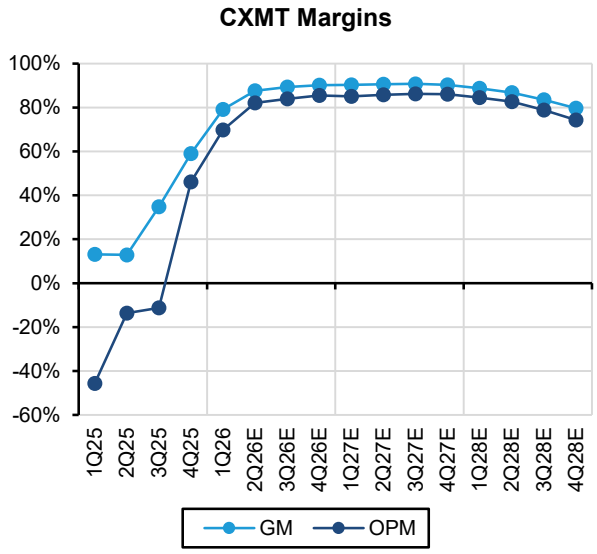


EXHIBIT 40: **CXMT's cash margin was already similar to the incumbents' in 1H25, before the DRAM price surge.**



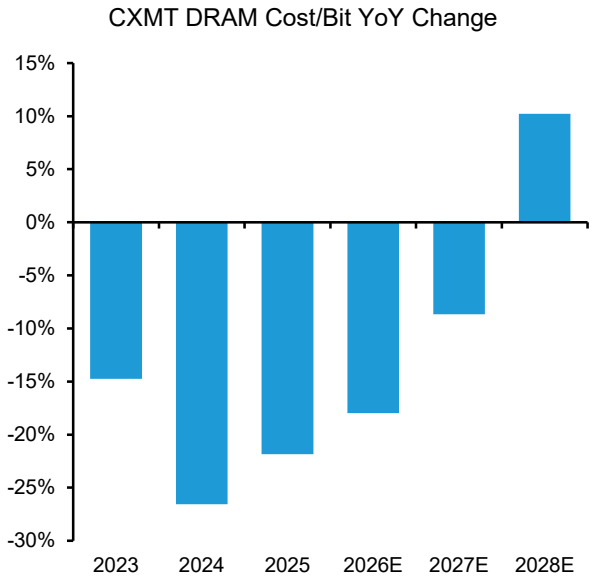

Source: Company reports and Bernstein analysis

EXHIBIT 41: **We forecast CXMT's margins to further increase in 2H26 and remain elevated in 2027, before moderating in 2028.**



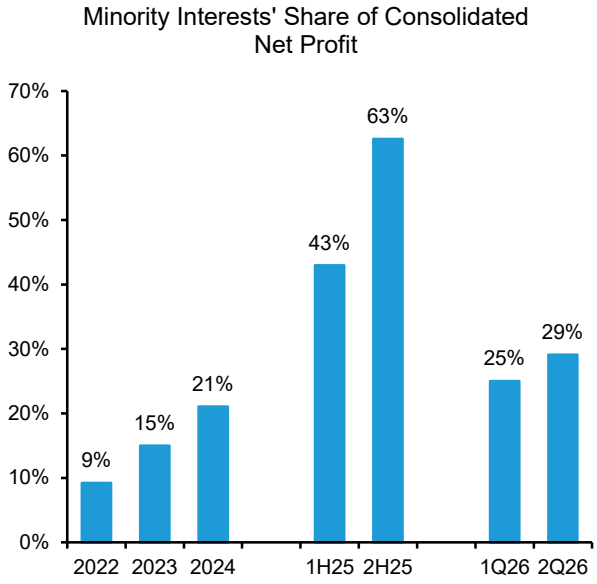

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 42: **We expect bit cost reduction to continue but reverse in 2028 due to higher HBM mix.**




Source: Company reports, Bernstein estimates and analysis

EXHIBIT 43: **CXMT's share of profit attributable to minority changed dramatically in 1H26 and is a source of uncertainty for future EPS forecast.**




Source: Company reports and Bernstein analysis

**Our forecast is notably above consensus in the next 2 years but roughly in line in 2028 as we expect DRAM prices to fall.**

- We forecast CXMT's revenue to rise 65% YoY in 2027 as the industry continues to enjoy the elevated cycle, and CXMT outgrows the industry. The current cycle is expected to peak toward the end of 2027, and "normalize" in 2028, but localization policy & catching-up in HBM will make the normalization milder for CXMT. We model CXMT's revenue to dip 6%

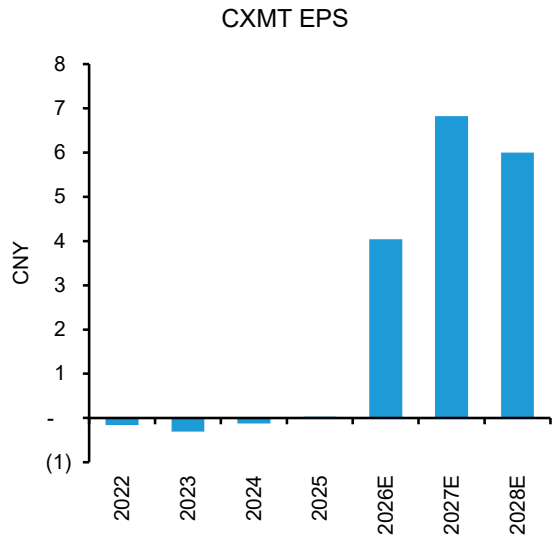
on 21-Sep-2026



in 2028 (Exhibit 37). Margins will follow a similar trajectory (Exhibit 41). EPS is modeled to grow 70% YoY in 2027 & dip 12% in 2028, as operating leverage/deleverage results in a slightly bigger swing from revenue to earnings (Exhibit 44-Exhibit 45).

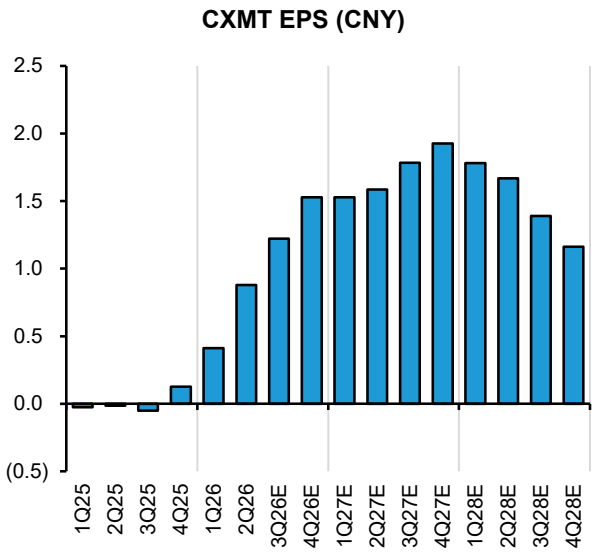
- Versus consensus, we are 20-30% above in revenue and 40-50% above in EPS for 2026 and 2027. We think consensus has not fully reflected 1H26's strong results and may be underestimating CXMT's bit growth as well. Our 2028 forecast is slightly behind consensus in revenue but in line in EPS, mainly because we have a relatively more conservative view on cycle and sustainability of DRAM price (Exhibit 46).

EXHIBIT 44: **We forecast CXMT's EPS to rise dramatically this year and rise further in 2027, before moderating in 2028.**




Source: Company reports, Bernstein estimates and analysis

EXHIBIT 45: **We project EPS to keep rising and peak towards the end of 2027.**




Source: Company reports, Bernstein estimates and analysis

EXHIBIT 46: **We are notably above consensus for 2026 and 2027 but more conservative in 2028 due to our more cautious view on DRAM cycle and pricing.**

| | 2026E | | | 2027E | | | 2028E | | |
|---|---|---|---|---|---|---|---|---|---|
| CXMT | Bernstein New | Consensu | % Diff | Bernstein New | Consensu | % Diff | Bernstein New | Consensu | % Diff |
| Revenue (CNY B) | 452.9 | 361.4 | 25.3% | 749.4 | 587.4 | 27.6% | 702.4 | 762.2 | -7.8% |
| *YoY* | *633%* | *485%* | | *65.5%* | *62.6%* | | *-6.3%* | *29.7%* | |
| Gross Margin | 88.1% | 85.4% | 2.7% | 90.5% | 85.5% | 5.0% | 85.1% | 84.4% | 0.7% |
| Operating Margin | 82.5% | 73.9% | 8.6% | 85.8% | 75.8% | 10.0% | 80.5% | 74.2% | 6.3% |
| EPS (CNY) | 4.0 | 2.8 | 43.9% | 6.8 | 4.6 | 48.5% | 6.0 | 5.8 | 3.8% |
| *YoY* | *12328%* | *8534%* | | *68.9%* | *63.6%* | | *-12.1%* | *25.9%* | |

Source: Bloomberg, Bernstein estimates and analysis

on 21-Sep-2026



## VALUATION, RATING & RISK

**Compared to global peers, CXMT trades at a higher multiple, but arguably justified by China's localization demand.**

- CXMT stock went up ~6x on the IPO day and then has mostly been range bound between CNY50-60 in the past ~8 weeks since its IPO. It currently trades at 13x 1-year forward P/E and 7.3x 1-year forward P/B. And it does appear notably more expensive than overseas peer memory makers on all the common valuation metrics (Exhibit 47-Exhibit 48).

- The lack of EUV clouding its long-term technology runway should make CXMT's valuation lower, but DUV is sufficient to support CXMT to grow for a few years. CXMT is subject to cyclicality but China's localization policy, especially on HBM, should make a downcycle more benign for CXMT. More importantly, A-share investors have a different appetite and a difficult valuation framework and semiconductor stocks usually enjoy higher valuation that their overseas counterparts can't have.

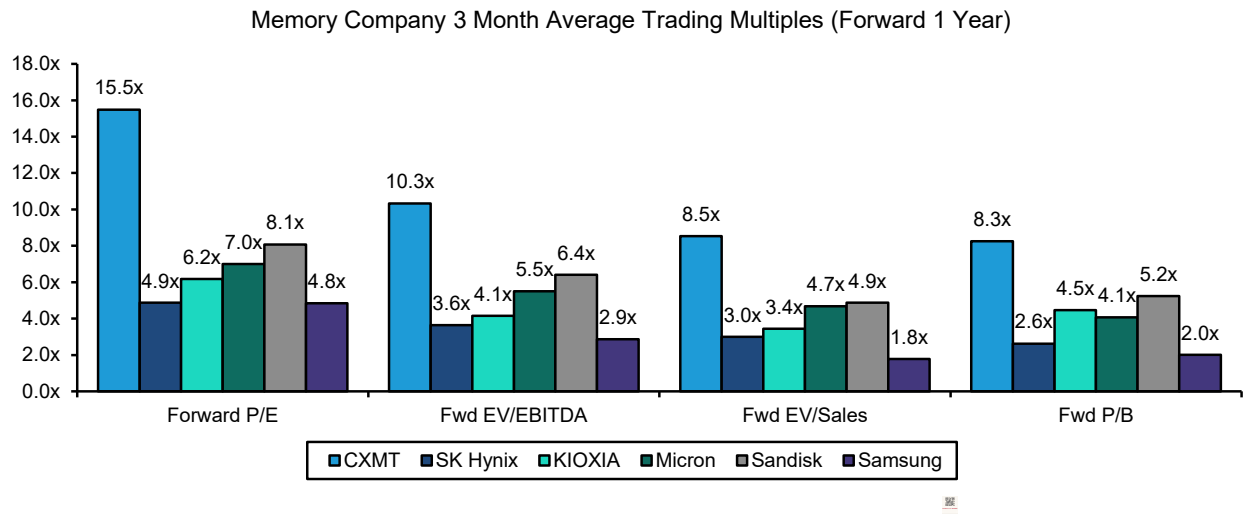
- We think this is the reason that has been supporting CXMT's valuation premium. While it is clearly more expensive than memory stocks in other countries, we expect this higher valuation to persist.

**More importantly, CXMT is actually cheaper than other A-share semiconductor stocks.**

- We also compare CXMT with A-share semiconductor peers in valuation. We select prominent A-share listed companies into four groups - foundry, memory related, semi equipment & AI GPU/CPU (Exhibit 49) - and find their average valuations. As shown in Exhibit 50, CXMT is considerably cheaper in most cases.

- One can argue it is because memory is in a peak cycle and has peak earnings currently. We won't disagree, but even when we look at forward 2-year earnings, CXMT remains notably cheaper (Exhibit 51). Even if CXMT's 2-year forward EPS halves vs. consensus, its P/E ratio would still appear very low vs. nearly all the domestic peers.

EXHIBIT 47: **CXMT trades at a notable premium over overseas memory companies on all common metrics.**

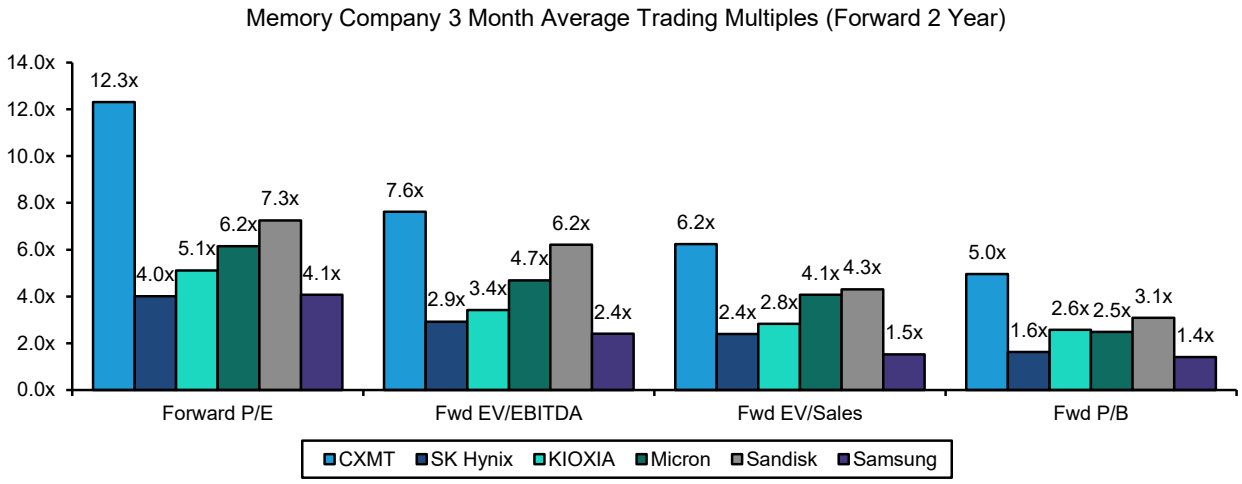



3 months up to Sep 11
Source: Bloomberg and Bernstein analysis

on 21-Sep-2026



EXHIBIT 48: **The valuation premium over overseas peers exists in 2-year forward multiples too.**



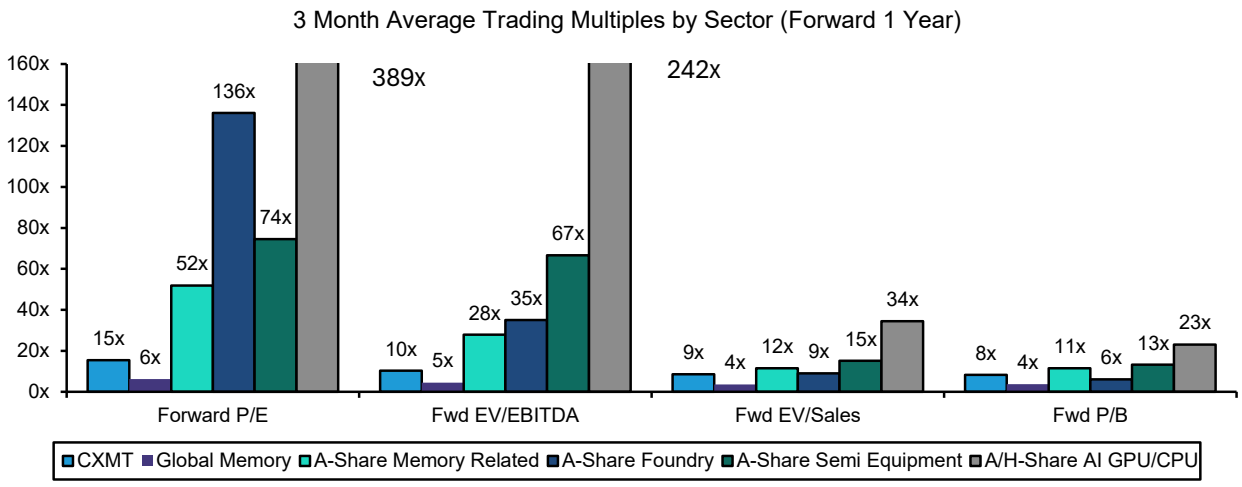

3 months up to Sep 11
Source: Bloomberg and Bernstein analysis

EXHIBIT 49: **We select prominent A-share listed semiconductor companies into four groups to find their average valuations.**

| Foundry | | | Memory Related | | | Semi Equipment | | | AI GPU/CPU | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| SMIC | 中芯国际 | 688981 CH | GigaDevice | 兆易创新 | 603986 CH | AMEC | 中微公司 | 688012 CH | Hygon | 海光信息 | 688041 CH |
| Hua Hong | 华虹公司 | 688347 CH | Montage | 澜起科技 | 688008 CH | NAURA | 北方华创 | 002371 CH | Iluvatar | 天数智芯 | 9903 HK |
| Nexchip | 晶合集成 | 688249 CH | Ingenic | 北京君正 | 300223 CH | Piotech | 拓荆科技 | 688072 CH | MetaX | 沐曦股份 | 688802 CH |
| CR Micro | 华润微 | 688396 CH | Puran Semi | 普冉股份 | 688766 CH | ACMR | 盛美上海 | 688082 CH | Biren | 壁仞科技 | 6082 HK |
| | | | Giantec | 聚辰股份 | 688123 CH | | | | Cambricon | 寒武纪 | 688256 CH |
| | | | Longsys | 江波龙 | 301308 CH | | | | | | |
| | | | Biwin | 佰维存储 | 688525 CH | | | | | | |
| | | | Demingli | 德明利 | 001309 CH | | | | | | |
| | | | Shannon Semi | 香农芯创 | 300475 CH | | | | | | |
| | | | Netac | 朗科科技 | 300042 CH | | | | | | |
| | | | Shenzhen Kaifa | 深科技 | 000021 CH | | | | | | |

Source: Bernstein analysis

EXHIBIT 50: **CXMT is actually cheaper than other A-share listed semiconductor stocks.**

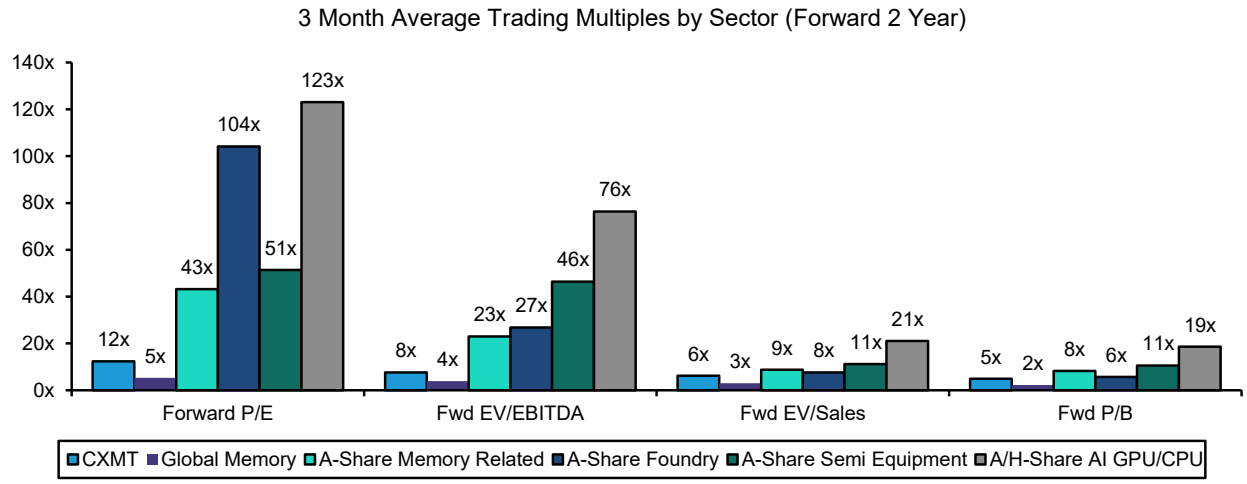



3 months up to Sep 11
Source: Bloomberg and Bernstein analysis

on 21-Sep-2026



EXHIBIT 51: **On 2 year forward basis, CXMT remains much cheaper as well.**




3 months up to Sep 11
Source: Bloomberg and Bernstein analysis

**We set our 1-year price target at CNY 70, on 10x of Q5-Q8 EPS, equivalent to 4.4x 2-year forward P/B, & rate CXMT Outperform.**

- Using P/E to value other memory stocks too, we value CXMT at 10x blended 2-year forward EPS (forward 5Q-8Q) and arrive at our price target at CNY 70. This represents 31% upside as of Sep 17. The target P/E is moderately below the current P/E ratio as we consider EPS is at a peak cycle. Our price target corresponds to 4.4x 2-year forward P/B and 6.2x forward EV/EBITDA, which is above global memory incumbents', but again considerably below A-share semiconductor peers'.

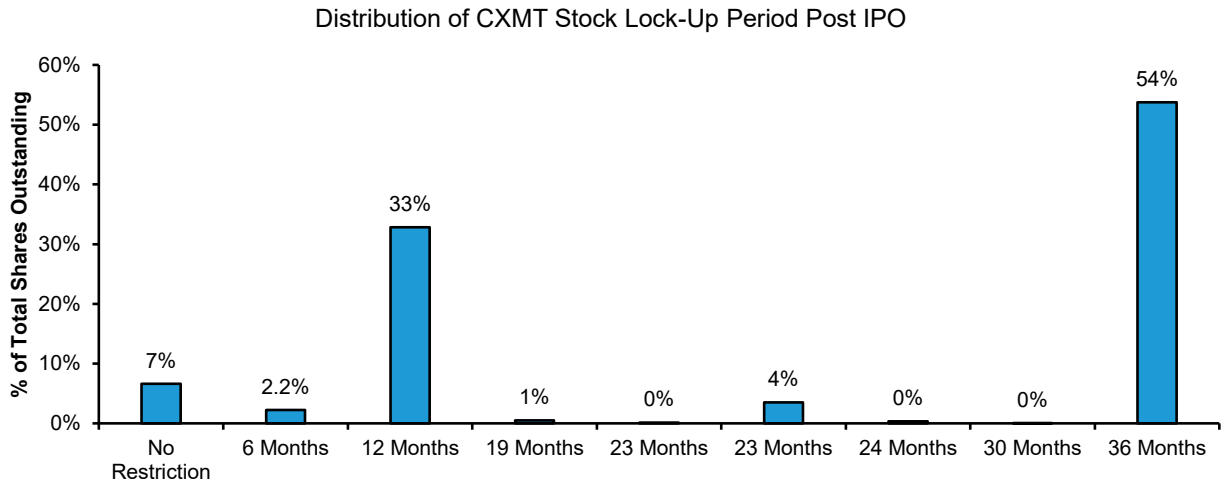
**Investors should beware of the possible impact when a significant number of shares come out of lock-up period in Jan & much more meaningfully in July 2027.**

- After IPO, most of CXMT's outstanding shares are still in a lock-up. Currently only 6.7% of shares is in free float and most of that is shares issued to retail investors through online offering. In 6 months post IPO (Jan 27, 2027), 2.2% of the total shares will come out of lock-up, which is a small part of the total outstanding shares but a significant increase (34%) from the current free float (Exhibit 52). And all of that are from institutional investors that acquired the shares in IPO. We think this probably will lead to some market impact and caution investors to take note. A significantly larger part (33% of the total outstanding shares) will come out of the restriction 12 months after the IPO (Jul 27, 2027), and they mostly consist of strategic investors (GigaDevice, Alibaba, Tencent, etc.) and private equity investors. Hence, they likely will not dispose of all of their stakes immediately but the sheer size of it still warrants attention from investors.

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EXHIBIT 52: **There will be a sizable amount of shares coming out of lock-up period in 6 and 12 months after IPO and investors should beware of the potential market impact.**




Source: Company reports, WIND and Bernstein analysis

on 21-Sep-2026



# APPENDIX - FINANCIAL FORECASTS

## EXHIBIT 53: **CXMT Income Statement**

Figures in CNY Mn Unless Otherwise Stated

| Income Statement | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E | 1Q26 | 2Q26 | 3Q26E | 4Q26E | 1Q27E | 2Q27E | 3Q27E | 4Q27E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **8,287** | **9,087** | **24,178** | **61,799** | **452,851** | **749,441** | **702,371** | **50,800** | **99,510** | **132,173** | **170,368** | **169,190** | **174,252** | **194,946** | **211,054** |
| COGS | 8,546 | 9,263 | 22,830 | 36,465 | 53,941 | 71,079 | 104,613 | 10,588 | 12,346 | 14,173 | 16,833 | 16,360 | 16,366 | 17,908 | 20,444 |
| **Gross Profit** | **(259)** | **(175)** | **1,349** | **25,334** | **398,910** | **678,363** | **597,758** | **40,212** | **87,163** | **118,000** | **153,534** | **152,830** | **157,885** | **177,038** | **190,609** |
| SG&A | 977 | 2,446 | 2,582 | 6,968 | 5,052 | 8,585 | 8,046 | 561 | 1,025 | 1,514 | 1,952 | 1,938 | 1,996 | 2,233 | 2,418 |
| R&D | 2,486 | 4,520 | 4,607 | 9,593 | 16,788 | 25,182 | 27,701 | 2,154 | 3,383 | 5,000 | 6,251 | 6,000 | 6,000 | 6,500 | 6,682 |
| Net Financial Expense | 1,796 | 1,934 | 2,204 | 2,954 | 4,257 | (1,005) | (6,704) | 1,192 | 1,238 | 1,151 | 677 | 305 | (59) | (429) | (823) |
| Other Operating Exp. (Inc.) | 3,691 | 10,265 | 924 | (1,902) | (906) | 2,463 | 3,148 | 872 | (194) | (678) | (906) | 569 | 581 | 634 | 679 |
| **Operating Income** | **(9,210)** | **(19,341)** | **(8,969)** | **7,721** | **373,719** | **643,137** | **565,567** | **35,433** | **81,711** | **111,013** | **145,562** | **144,017** | **149,368** | **168,099** | **181,653** |
| Other Inc/(Exp) | 40 | 118 | (80) | (20) | 0 | (2) | (2) | 1 | (0) | (0) | (0) | (0) | (0) | (0) | (1) |
| **Profit Before Tax** | **(9,170)** | **(19,223)** | **(9,049)** | **7,701** | **373,719** | **643,135** | **565,565** | **35,434** | **81,711** | **111,013** | **145,561** | **144,017** | **149,368** | **168,098** | **181,652** |
| Income Tax/(Benefit) | 1 | 2 | 2 | 557 | 23,535 | 25,725 | 22,623 | 2,423 | 7,173 | 6,661 | 7,278 | 5,761 | 5,975 | 6,724 | 7,266 |
| **Net Income** | **(9,171)** | **(19,225)** | **(9,051)** | **7,144** | **350,185** | **617,410** | **542,942** | **33,012** | **74,538** | **104,352** | **138,283** | **138,256** | **143,393** | **161,374** | **174,386** |
| Minority Interest | (843) | (2,885) | (1,906) | 5,269 | 90,603 | 154,352 | 135,736 | 8,249 | 21,695 | 26,088 | 34,571 | 34,564 | 35,848 | 40,344 | 43,597 |
| **Net Profit Attributable to Parent** | **(8,328)** | **(16,340)** | **(7,145)** | **1,875** | **259,581** | **463,057** | **407,207** | **24,762** | **52,843** | **78,264** | **103,712** | **103,692** | **107,545** | **121,031** | **130,790** |
| Basic EPS (CNY) | (0.16) | (0.30) | (0.13) | 0.03 | 4.04 | 6.82 | 6.00 | 0.41 | 0.88 | 1.22 | 1.53 | 1.53 | 1.58 | 1.78 | 1.93 |
| Diluted EPS (CNY) | (0.16) | (0.30) | (0.13) | 0.03 | 4.04 | 6.82 | 6.00 | 0.41 | 0.88 | 1.22 | 1.53 | 1.53 | 1.58 | 1.78 | 1.93 |
| Basic WASO | 52,843 | 53,626 | 56,571 | 57,688 | 63,077 | 67,884 | 67,884 | 60,193 | 60,193 | 64,038 | 67,884 | 67,884 | 67,884 | 67,884 | 67,884 |
| Diluted WASO | 52,843 | 53,626 | 56,571 | 57,688 | 63,077 | 67,884 | 67,884 | 60,193 | 60,193 | 64,038 | 67,884 | 67,884 | 67,884 | 67,884 | 67,884 |
| **IFRS Adjusted Operating Income** | **(8,188)** | **(19,030)** | **(8,496)** | **7,668** | **372,396** | **636,941** | **554,663** | **37,229** | **81,435** | **110,131** | **143,600** | **143,162** | **148,106** | **166,316** | **179,357** |
| **EBITDA** | **(2,120)** | **(6,910)** | **7,728** | **34,755** | **404,249** | **681,268** | **622,585** | **44,759** | **89,148** | **118,048** | **152,294** | **152,884** | **158,688** | **177,784** | **191,911** |
| Margins | | | | | | | | | | | | | | | |
| Gross Margin | (3.1%) | (1.9%) | 5.6% | 41.0% | 88.1% | 90.5% | 85.1% | 79.2% | 87.6% | 89.3% | 90.1% | 90.3% | 90.6% | 90.8% | 90.3% |
| EBITDA Margin | (25.6%) | (76.0%) | 32.0% | 56.2% | 89.3% | 90.9% | 88.6% | 88.1% | 89.6% | 89.3% | 89.4% | 90.4% | 91.1% | 91.2% | 90.9% |
| Operating Margin | (111.1%) | (212.8%) | (37.1%) | 12.5% | 82.5% | 85.8% | 80.5% | 69.7% | 82.1% | 84.0% | 85.4% | 85.1% | 85.7% | 86.2% | 86.1% |
| IFRS Adjusted OPM | (98.8%) | (209.4%) | (35.1%) | 12.4% | 82.2% | 85.0% | 79.0% | 73.3% | 81.8% | 83.3% | 84.3% | 84.6% | 85.0% | 85.3% | 85.0% |
| Net Income Margin | (110.7%) | (211.6%) | (37.4%) | 11.6% | 77.3% | 82.4% | 77.3% | 65.0% | 74.9% | 79.0% | 81.2% | 81.7% | 82.3% | 82.8% | 82.6% |
| ROE | | (38.3%) | (18.6%) | 3.8% | 118.0% | 75.3% | 38.8% | 143.1% | 195.3% | 151.1% | 125.2% | 95.3% | 79.5% | 73.9% | 67.0% |
| Growth | | | | | | | | | | | | | | | |
| Revenue Growth | | 9.7% | 166.1% | 155.6% | 633% | 65.5% | (6.3%) | 71.0% | 95.9% | 32.8% | 28.9% | (0.7%) | 3.0% | 11.9% | 8.3% |
| Operating Profit Growth | | N.A. | N.A. | N.A. | 4740% | 72.1% | (12.1%) | 158.8% | 130.6% | 35.9% | 31.1% | (1.1%) | 3.7% | 12.5% | 8.1% |
| EPS Growth | | N.A. | N.A. | N.A. | 12328% | 68.9% | (12.1%) | 228.2% | 113.4% | 39.2% | 25.0% | (0.0%) | 3.7% | 12.5% | 8.1% |

| Key Operating Metrics | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E | 1Q26 | 2Q26 | 3Q26E | 4Q26E | 1Q27E | 2Q27E | 3Q27E | 4Q27E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total Revenue** | **8,287** | **9,087** | **24,178** | **61,799** | **452,851** | **749,441** | **702,371** | **50,800** | **99,510** | **132,173** | **170,368** | **169,190** | **174,252** | **194,946** | **211,054** |
| **DRAM Revenue (CNY M)** | **7,891** | **8,583** | **22,972** | **60,235** | **447,178** | **741,947** | **695,347** | **49,889** | **97,774** | **130,851** | **168,664** | **167,498** | **172,509** | **192,997** | **208,943** |
| DRAM Revenue (US$M) | 1,171 | 1,211 | 3,190 | 8,431 | 66,013 | 110,081 | 103,167 | 7,204 | 14,371 | 19,414 | 25,024 | 24,851 | 25,595 | 28,635 | 31,000 |
| Gb Shipped (M Gb) (inc HBM) | 3,081 | 5,946 | 10,220 | 20,104 | 36,212 | 51,802 | 69,981 | 6,466 | 8,082 | 9,727 | 11,938 | 11,700 | 11,933 | 13,372 | 14,796 |
| ASP ($/Gb) (inc HBM) | 0.38 | 0.20 | 0.31 | 0.42 | 1.82 | 2.13 | 1.47 | 1.11 | 1.78 | 2.00 | 2.10 | 2.12 | 2.14 | 2.14 | 2.10 |
| Cost ($/Gb) (inc HBM) | 0.52 | 0.45 | 0.33 | 0.26 | 0.21 | 0.19 | 0.21 | 0.23 | 0.21 | 0.21 | 0.20 | 0.20 | 0.19 | 0.19 | 0.19 |
| Gb Shipped Change | | 93.0% | 71.9% | 96.7% | 80.1% | 43.0% | 35.1% | (5.0%) | 25.0% | 20.3% | 22.7% | (2.0%) | 2.0% | 12.1% | 10.7% |
| ASP Change | | (46.4%) | 53.3% | 34.3% | 334.7% | 16.6% | (30.6%) | 84.7% | 59.6% | 12.3% | 5.0% | 1.3% | 1.0% | (0.2%) | (2.2%) |
| Cost Change | | (13.9%) | (26.7%) | (22.2%) | (18.0%) | (8.7%) | 10.2% | (6.9%) | (7.6%) | (1.5%) | (5.7%) | (1.0%) | (2.1%) | (2.5%) | 3.5% |
| DRAM Gross Margin | (37.8%) | (121.4%) | (6.0%) | 38.6% | 88.4% | 90.9% | 85.6% | 79.2% | 88.0% | 89.4% | 90.5% | 90.7% | 91.0% | 91.2% | 90.7% |

Source: Company reports, Bernstein estimates and analysis

## EXHIBIT 54: **CXMT Balance Sheet and Cash Flow Statement**

Figures in CNY Mn Unless Otherwise Stated

| Balance Sheet | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E | 1Q26 | 2Q26 | 3Q26E | 4Q26E | 1Q27E | 2Q27E | 3Q27E | 4Q27E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cash & Cash Equivalents | 32,072 | 31,374 | 42,699 | 51,990 | 396,204 | 886,445 | 1,237,664 | 84,735 | 143,426 | 289,072 | 396,204 | 505,809 | 621,978 | 753,087 | 886,445 |
| Accounts & Notes Receivable | 124 | 399 | 1,846 | 1,524 | 9,259 | 11,470 | 8,012 | 2,915 | 6,899 | 7,183 | 9,259 | 9,399 | 9,574 | 10,595 | 11,470 |
| Inventories | 6,917 | 10,736 | 18,550 | 28,568 | 45,500 | 53,072 | 82,546 | 31,883 | 35,130 | 39,090 | 45,500 | 44,298 | 42,952 | 46,488 | 53,072 |
| Other Current Assets | 3,156 | 4,941 | 4,920 | 28,904 | 51,533 | 51,731 | 46,392 | 39,319 | 47,161 | 49,256 | 51,533 | 50,863 | 50,626 | 51,361 | 51,731 |
| **Total Current Assets** | **42,268** | **47,450** | **68,014** | **110,986** | **502,495** | **1,002,718** | **1,374,614** | **158,853** | **232,616** | **384,601** | **502,495** | **610,370** | **725,131** | **861,531** | **1,002,718** |
| PP&E | 94,664 | 136,256 | 194,461 | 214,937 | 263,724 | 362,451 | 531,916 | 217,057 | 219,847 | 238,770 | 263,724 | 283,145 | 302,563 | 326,562 | 362,451 |
| Other Non-Current Assets | 10,761 | 9,050 | 9,123 | 10,862 | 15,466 | 15,656 | 15,628 | 12,257 | 15,615 | 15,477 | 15,466 | 15,457 | 15,468 | 15,541 | 15,656 |
| **Non-Current Assets** | **105,426** | **145,307** | **203,585** | **225,799** | **279,191** | **378,107** | **547,544** | **229,314** | **235,462** | **254,246** | **279,191** | **298,602** | **318,031** | **342,102** | **378,107** |
| **Total Assets** | **147,694** | **192,756** | **271,599** | **336,785** | **781,686** | **1,380,825** | **1,922,158** | **388,166** | **468,078** | **638,848** | **781,686** | **908,972** | **1,043,162** | **1,203,634** | **1,380,825** |
| Debt | 65,815 | 91,822 | 97,795 | 128,513 | 99,979 | 69,432 | 49,390 | 130,141 | 120,815 | 109,849 | 99,979 | 91,097 | 83,102 | 75,907 | 69,432 |
| Accounts Payable | 3,296 | 4,443 | 6,416 | 9,149 | 16,581 | 20,138 | 29,524 | 13,426 | 12,295 | 13,960 | 16,581 | 16,473 | 16,298 | 17,640 | 20,138 |
| Other Liabilities | 14,366 | 31,377 | 63,131 | 45,023 | 85,135 | 93,855 | 102,902 | 52,994 | 64,218 | 73,330 | 85,135 | 83,155 | 82,121 | 87,072 | 93,855 |
| **Total Liabilities** | **83,478** | **127,643** | **167,342** | **182,685** | **201,695** | **183,424** | **181,815** | **196,561** | **197,329** | **197,140** | **201,695** | **190,725** | **181,522** | **180,619** | **183,424** |
| Shareholders' Equity | 49,672 | 35,595 | 41,420 | 56,754 | 383,305 | 846,362 | 1,253,569 | 81,724 | 134,722 | 279,593 | 383,305 | 486,997 | 594,542 | 715,573 | 846,362 |
| Minority Interest | 14,545 | 29,518 | 62,837 | 97,346 | 196,686 | 351,039 | 486,774 | 109,881 | 136,027 | 162,115 | 196,686 | 231,250 | 267,098 | 307,442 | 351,039 |
| **Total Equity** | **64,216** | **65,113** | **104,257** | **154,100** | **579,991** | **1,197,401** | **1,740,343** | **191,605** | **270,749** | **441,708** | **579,991** | **718,247** | **861,640** | **1,023,015** | **1,197,401** |
| **Total Liabilities & Equity** | **147,694** | **192,756** | **271,599** | **336,785** | **781,686** | **1,380,825** | **1,922,158** | **388,166** | **468,078** | **638,848** | **781,686** | **908,972** | **1,043,162** | **1,203,634** | **1,380,825** |
| BVPS (CNY) | 1.03 | 0.66 | 0.72 | 0.94 | 5.65 | 12.47 | 18.47 | 1.36 | 2.24 | 4.12 | 5.65 | 7.17 | 8.76 | 10.54 | 12.47 |

| Cash Flow Statement | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E | 1Q26 | 2Q26 | 3Q26E | 4Q26E | 1Q27E | 2Q27E | 3Q27E | 4Q27E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net Income | (9,171) | (19,225) | (9,051) | 7,144 | 350,185 | 617,410 | 542,942 | 33,012 | 74,538 | 104,352 | 138,283 | 138,256 | 143,393 | 161,374 | 174,386 |
| Depreciation & Amortization | 6,068 | 12,120 | 16,224 | 27,086 | 31,853 | 44,327 | 67,921 | 7,529 | 7,713 | 7,917 | 8,695 | 9,722 | 10,582 | 11,468 | 12,554 |
| Other | 1,146 | (167) | (276) | 2,289 | 16,683 | 2,726 | (1,703) | 2,025 | 6,339 | 4,547 | 3,772 | (246) | 307 | 1,107 | 1,558 |
| **CF From Operations** | **(1,957)** | **(7,272)** | **6,897** | **36,520** | **398,720** | **664,463** | **609,161** | **42,566** | **88,590** | **116,816** | **150,749** | **147,732** | **154,282** | **173,950** | **188,499** |
| Capex | (35,431) | (43,658) | (71,230) | (49,739) | (82,153) | (143,674) | (237,900) | (9,394) | (12,201) | (26,811) | (33,747) | (29,244) | (30,119) | (35,645) | (48,666) |
| Other | 8,482 | (343) | (1,186) | (37,084) | (13,983) | - | - | (6,389) | (7,594) | - | - | - | - | - | - |
| **CF From Investing** | **(26,949)** | **(44,002)** | **(72,415)** | **(86,823)** | **(96,135)** | **(143,674)** | **(237,900)** | **(15,783)** | **(19,794)** | **(26,811)** | **(33,747)** | **(29,244)** | **(30,119)** | **(35,645)** | **(48,666)** |
| Equity Issued | 3,811 | 137 | 10,800 | 6,856 | 66,614 | - | - | 6 | 1 | 66,607 | - | - | - | - | - |
| Investment From Minority Shareholder | 8,221 | 17,903 | 35,067 | 24,939 | 8,556 | - | - | 4,185 | 4,371 | - | - | - | - | - | - |
| Debt Issued (repaid) | 38,078 | 31,876 | 27,760 | 15,277 | (25,201) | (30,548) | (20,042) | 5,192 | (9,557) | (10,966) | (9,870) | (8,883) | (7,994) | (7,195) | (6,475) |
| Other | (11,139) | 891 | 3,587 | (951) | (3,195) | - | - | (1,119) | (2,076) | - | - | - | - | - | - |
| **CF From Financing** | **38,971** | **50,807** | **77,214** | **46,121** | **46,773** | **(30,548)** | **(20,042)** | **8,263** | **(7,261)** | **55,641** | **(9,870)** | **(8,883)** | **(7,994)** | **(7,195)** | **(6,475)** |
| Cash at Beginning of Period | 21,606 | 32,072 | 31,374 | 42,699 | 51,990 | 396,204 | 886,445 | 51,990 | 84,735 | 143,426 | 289,072 | 396,204 | 505,809 | 621,978 | 753,087 |
| **Net Cash Flow** | **10,065** | **(466)** | **11,696** | **(4,182)** | **349,358** | **490,241** | **351,219** | **35,047** | **61,534** | **145,645** | **107,132** | **109,605** | **116,169** | **131,109** | **133,358** |
| Adjustments | 402 | (233) | (371) | 13,474 | (5,144) | (0) | - | (2,301) | (2,843) | (0) | 0 | 0 | (0) | 0 | (0) |
| Cash at End of Period | 32,072 | 31,374 | 42,699 | 51,990 | 396,204 | 886,445 | 1,237,664 | 84,735 | 143,426 | 289,072 | 396,204 | 505,809 | 621,978 | 753,087 | 886,445 |
| **Free Cash Flow** | **(37,388)** | **(50,930)** | **(64,332)** | **(13,219)** | **316,568** | **520,789** | **371,261** | **33,172** | **76,389** | **90,005** | **117,002** | **118,488** | **124,163** | **138,304** | **139,833** |

Source: Company reports, Bernstein estimates and analysis

on 21-Sep-2026



## BERNSTEIN TICKER TABLE

| Ticker | Rating | Cur | 18 Sep 2026 Closing Price | Price Target | TTM Rel. Perf. | Reported EPS Cur | 2025A | 2026E | 2027E | Reported P/E (x) 2025A | 2026E | 2027E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 688825.CH (CXMT) | O | CNY | 55.54 | 70.00 | NA | CNY | 0.03 | 4.04 | 6.82 | N/M | 13.8 | 8.1 |
| ASIAX | | | 1,953.49 | | | | | | | | | |

**COVERAGE INITIATION**

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

Source: Bloomberg, Bernstein estimates and analysis.

on 21-Sep-2026



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### VALUATION METHODOLOGY

#### CXMT Corp

We value CXMT at 10x blended 2-year forward EPS (forward 5Q-8Q) of CNY7.16 and arrive our price target of CNY 70.

### RISKS

#### CXMT Corp

The downside risk to our target price includes 1) increased challenges in acquiring semiconductor equipment needed for capacity expansion, 2) faster-than-expected expansion in global DRAM supply 3) significant slow down in AI-related DRAM demand causing shortage to revert into oversupply and DRAM prices to decrease

### RATINGS DEFINITIONS, BENCHMARKS AND DISTRIBUTION

### EQUITY RATINGS DEFINITIONS

#### Bernstein brand

The Bernstein brand rates stocks based on forecasts of relative performance for the next 12 months versus the S&P 500 for stocks listed on the U.S. and Canadian exchanges, versus the Bloomberg Europe Developed Markets Large and Mid Cap Price Return Index EUR (EDME) for stocks listed on the European exchanges and emerging markets exchanges outside of the Asia Pacific region, versus the Bloomberg Japan Large and Mid Cap Price Return Index USD (JPL) for stocks listed on the Japanese exchanges, and versus the Bloomberg Asia ex-Japan Large and Mid Cap Price Return Index (ASIAX) for stocks listed on the Asian (ex-Japan) exchanges -unless otherwise specified.

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on 21-Sep-2026



**Autonomous brand – common stocks**

The Autonomous brand rates common stocks as indicated below. As our benchmarks we use the Bloomberg Europe 600 Financials Price Return Index (E600BK) and Bloomberg Europe Dev Mkt Financials Large and Mid Cap Price Ret Index EUR (EDMFI) index for developed European banks and Payments, the Bloomberg Europe 600 Insurance Price Return Index (E600IN) for European insurers, the S&P 500 and S&P Financials for US banks and Payments coverage, S5LIFE for US Insurance, the S&P Insurance Select Industry (SPSIINS) for US Non-Life Insurers coverage, the Bloomberg Emerging Markets Financials Large, Mid and Small Cap Price Return Index (EMLSF) for emerging market banks and insurers and Payments, and the Bloomberg Japan Financials Large & Mid Cap Price Return Index (JPFILM) for Japanese Financials. Ratings are stated relative to the sector (not the market).

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Those denoted as 'Feature' (e.g., Feature Outperform FOP, Feature Under Outperform FUP) are our core ideas.

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- Neutral (N): The total return of the preferred instrument is expected to perform in line with preferred securities of other issuers operating in similar sectors or rating categories over the next six months.
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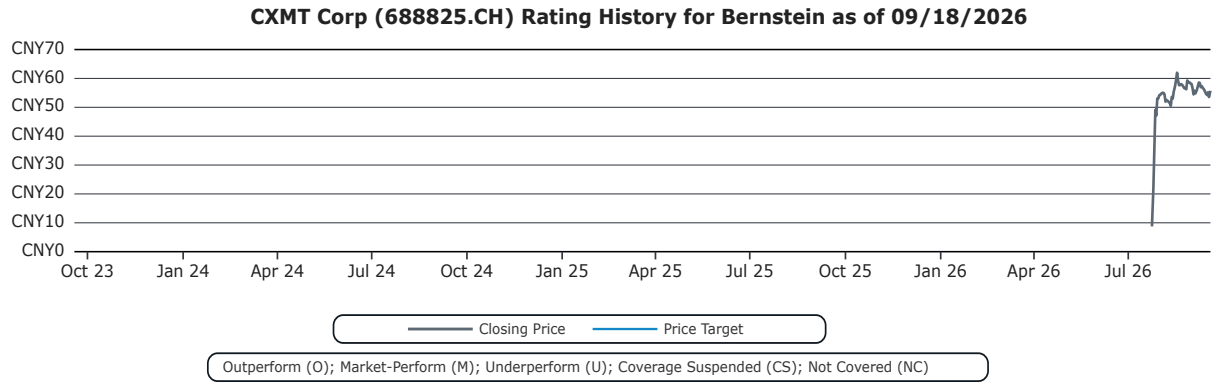
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|---|---|---|---|
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| Market-Perform (Bernstein Brand)<br>Neutral (Autonomous Brand) | HOLD | 35.8% | 16.2% |
| Underperform | SELL | 13.1% | 13.6% |

* These figures represent the percentage of companies within each equity rating category for which affiliates of Bernstein have provided investment banking services within the previous 12 months.
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