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3Q26 CIO Survey — Better Budgets, Still Waiting for a Broader Inflection

2026 IT budget growth expectations improve to +4.0% (+23 bps QoQ), with stronger long-term confidence supporting a healthier backdrop. However, near-term revision expectations soften and 2027 growth looks broadly stable. AI remains a priority, but still waiting for a broader IT spending inflection.

AlphaWise α

2026 Budgets Improve, With The First Look at 2027 Pointing to Stable Growth

Our latest CIO Survey, fielded between August 6th and September 8th, points to continued improvement in the spending backdrop, with **CIOs expecting IT budget growth of +4.0% in 2026 (up from +3.8% in 2Q26, a 23 bp sequential improvement) (Exhibit 13). The first look at 2027 suggests broadly stable growth at +4.0% (+1 bp versus 2026)**, modestly below the +4.1% 2010–2019 average and suggesting a healthier budget base rather than a material acceleration ahead (Exhibit 10).

- **Software remains the fastest-growing industry in the Technology sector**, with CIOs expecting +4.3% growth in 2026 (+15 bps QoQ), followed by Communications (+3.0%, +39 bps), Services (+2.0%, +20 bps), and Hardware (+1.5%, –4 bps) (Exhibit 12). Looking to 2027, Software growth is expected to accelerate modestly to +4.4% (+8 bps versus 2026), alongside IT Services at +2.0% (+6 bps), while Communications moderates to +2.8% (–17 bps) and Hardware remains broadly stable at +1.5% (–2 bps) (Exhibit 3).
- **On near-term IT budget revisions, the 1-year up-to-down ratio declined to 0.8x (down from 1.2x in 2Q26)** (Exhibit 4). Specifically, 19% of CIOs expect upward revisions to 2026 budgets (down from 30% in 2Q26), while 23% expect downward revisions (down from 25%) (Exhibit 14).
- **Long-term spending expectations improve, with the 3-year up-to-down ratio rising to 3.3x (up from 2.8x in 2Q26) (Exhibit 5)**. Over the next three years, 46% of CIOs expect IT spending to increase as a percentage of revenue (up from 42% in 2Q26), versus 14% expecting declines (down from 15%) (Exhibit 16).
- **AI/ML remains the #1 CIO priority** (16% of responses, down from 18% in 2Q26), followed by Security Software (12%, up from 11.3%) (Exhibit 6). Additionally, **AI/ML becomes the most defensible spending category** (net score of +17%, up from +4% in 2Q26) (Exhibit 21).
- **CIOs favor procuring AI capabilities**, with 64% planning to primarily procure from application/SaaS, AI-native, or LLM Providers, versus 17% planning to build (Exhibit 38). From a funding perspective, net-new dollars from within

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SOFTWARE

North America
Industry View **Attractive**

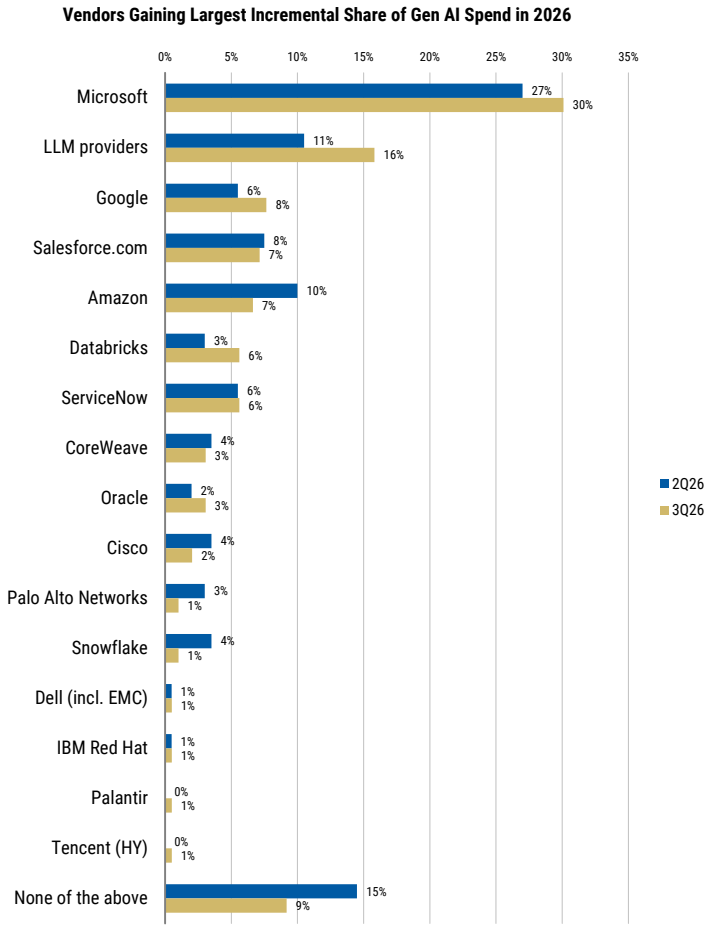
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and outside IT still account for half of AI funding responses (50%, down from 54% in 2Q26) (Exhibit 31). Meanwhile, fewer CIOs indicate reallocating existing Software budgets to AI (12%, down from 15% in 2Q26), helping assuage concerns around cannibalization of traditional Software spending (Exhibit 31).

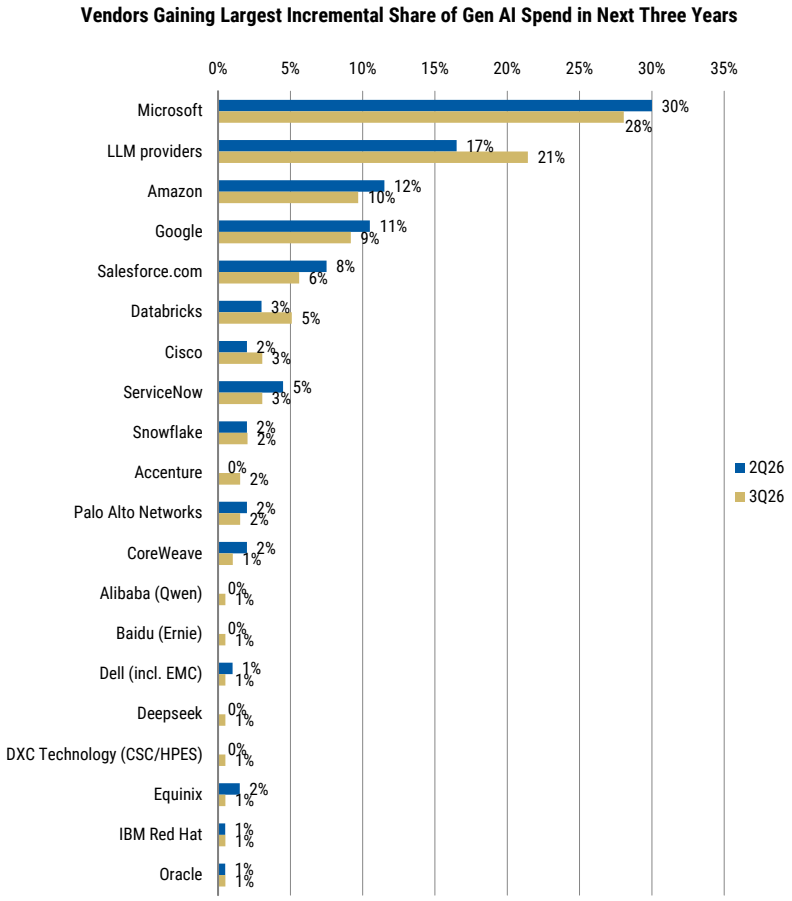
- **New datapoints around AI token economics point to mixed returns and an opportunity for orchestration platforms.** While 42% of CIOs can't yet assess returns, 17% report returns in line with token spend and 13% above, versus 28% below (Exhibit 44). Meanwhile, 43% already have token-spend controls and another 31% plan to introduce them by 2H27 (Exhibit 45). In our view, this **focus on spending discipline should increase the importance of the orchestration layer**, creating opportunities for software vendors to help enterprises route requests to models offering the right balance of cost and capability. See more details in our recent Microsoft note, Battle of the AI Stack: Built for a Multi-Model World.
- **Microsoft remains the vendor most widely expected to gain incremental share of GenAI spending in 2026** (30% of responses, up from 27% in 2Q26) (Exhibit 1). **However, its longer-term lead narrows**, with fewer responses identifying Microsoft as an expected share gainer over three years (28%, down from 30% in 2Q26), while LLM Providers are more frequently cited (21%, up from 17%) (Exhibit 2).
- **Cybersecurity software continues to screen positively**, ranking second in net defensibility (+16%, up from +15% in 2Q26), behind AI/ML, and retaining strong relative budget protection (Exhibit 21).
- **Taken together, improving budgets and CIOs' preference to buy AI capabilities support software vendors' monetization opportunities, but the vendor outlook remains mixed.** LLM Providers are increasingly cited as expected beneficiaries of incremental GenAI spending, while limited improvement in spending preferences for established application vendors leaves us looking for stronger evidence of a broader AI-led growth inflection (Exhibit 1 , Exhibit 2 , Exhibit 38).

Exhibit 1: CIOs Note Expectations for Microsoft, LLM Providers, Google, Salesforce, and Amazon to Gain the Largest Incremental Share of GenAI Spend in 2026...



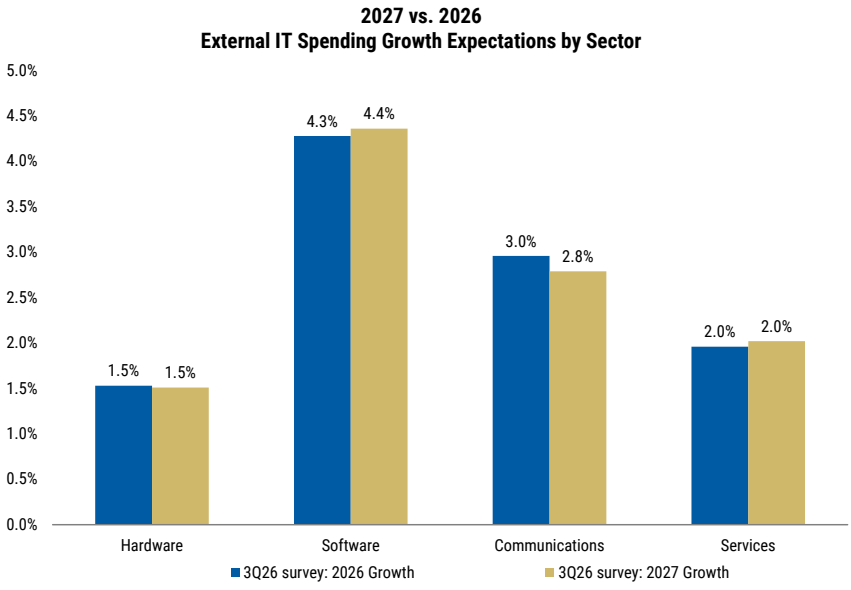
Source: AlphaWise, Morgan Stanley Research. n= 196 (US and EU data)

Exhibit 2: …And Expectations for Microsoft, LLM Providers, Amazon, Google, and Salesforce to Remain Share Gain Leaders In The Next Three Years



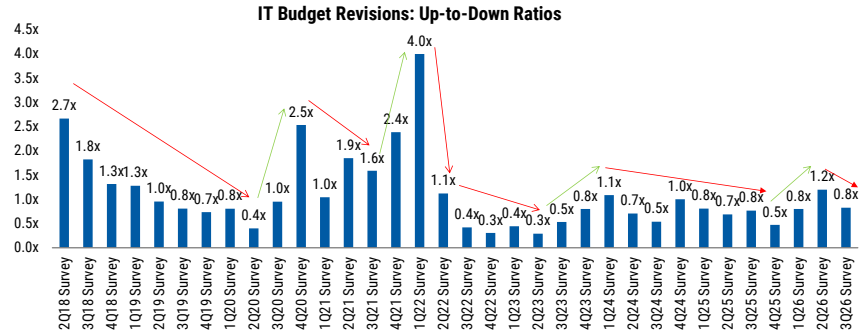
Source: AlphaWise, Morgan Stanley Research. n= 196 (US and EU data).

Exhibit 3: CIOs Continue to Expect the Highest Growth Expectations for Software into 2027



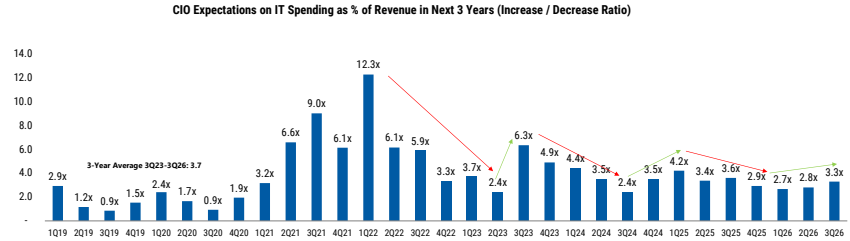
Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

Exhibit 4: 1-Yr Up-to-Down Ratio Declined Back to 0.8x, Below the 12-Year Average of 1.2x



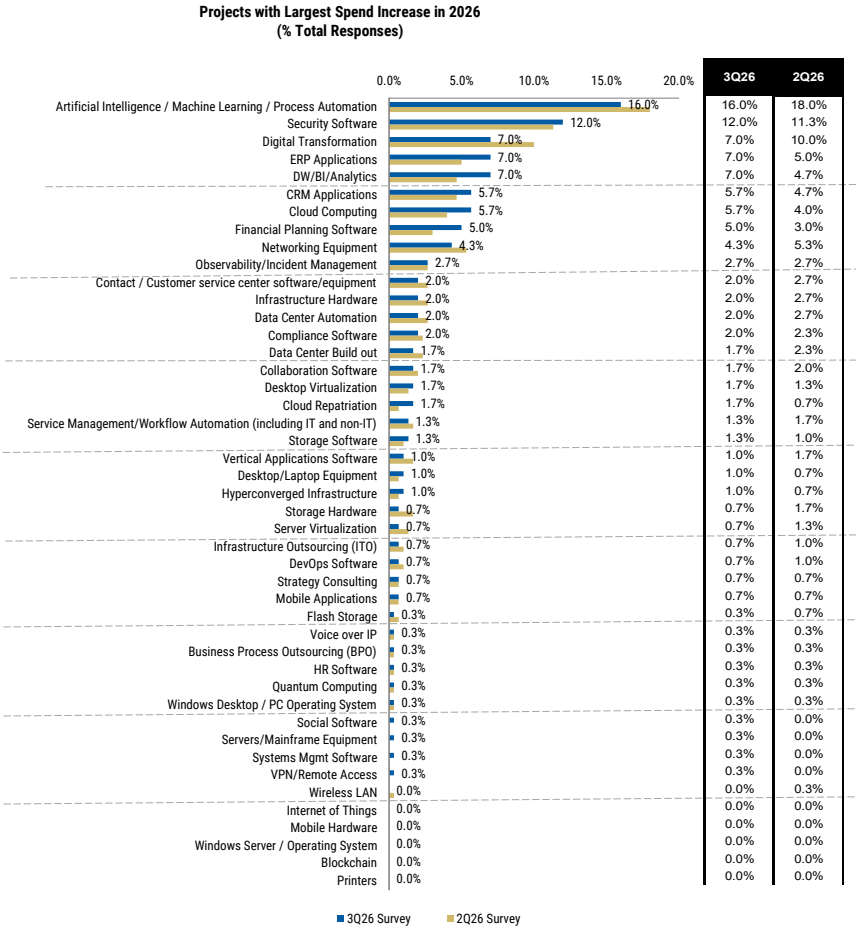
Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

Exhibit 5: Long-Term Up-to-Down Ratio Rose to 3.3x, With 46% of CIOs Expecting IT Spending to Increase as a % of Total Revenue over the Next 3 Years, Relative to Just 14% Expecting Declines



Source: AlphaWise, Morgan Stanley Research. N=100 (US and EU data)

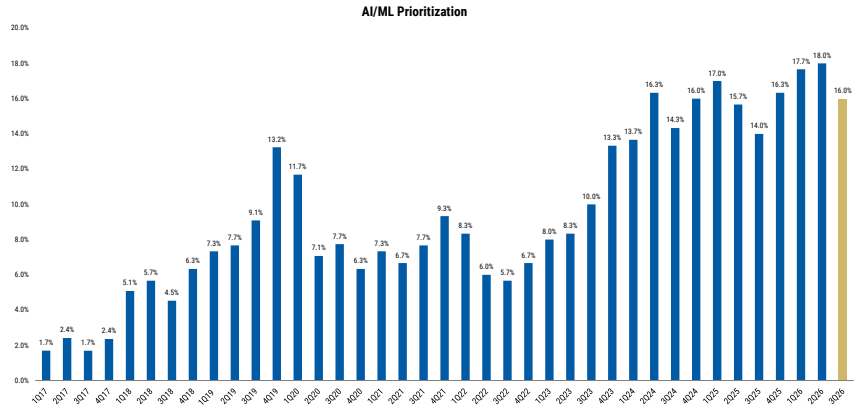
Exhibit 6: AI/ML Remains Squarely Atop the CIO Priority List, With Security Software A Close Second



	3Q26	2Q26
Artificial Intelligence / Machine Learning / Process Automation	16.0%	18.0%
Security Software	12.0%	11.3%
Digital Transformation	7.0%	10.0%
ERP Applications	7.0%	5.0%
DW/BI/Analytics	7.0%	4.7%
CRM Applications	5.7%	4.7%
Cloud Computing	5.7%	4.0%
Financial Planning Software	5.0%	3.0%
Networking Equipment	4.3%	5.3%
Observability/Incident Management	2.7%	2.7%
Contact / Customer service center software/equipment	2.0%	2.7%
Infrastructure Hardware	2.0%	2.7%
Data Center Automation	2.0%	2.7%
Compliance Software	2.0%	2.3%
Data Center Build out	1.7%	2.3%
Collaboration Software	1.7%	2.0%
Desktop Virtualization	1.7%	1.3%
Cloud Repatriation	1.7%	0.7%
Service Management/Workflow Automation (including IT and non-IT)	1.3%	1.7%
Storage Software	1.3%	1.0%
Vertical Applications Software	1.0%	1.7%
Desktop/Laptop Equipment	1.0%	0.7%
Hyperconverged Infrastructure	1.0%	0.7%
Storage Hardware	0.7%	1.7%
Server Virtualization	0.7%	1.3%
Infrastructure Outsourcing (ITO)	0.7%	1.0%
DevOps Software	0.7%	1.0%
Strategy Consulting	0.7%	0.7%
Mobile Applications	0.7%	0.7%
Flash Storage	0.3%	0.7%
Voice over IP	0.3%	0.3%
Business Process Outsourcing (BPO)	0.3%	0.3%
HR Software	0.3%	0.3%
Quantum Computing	0.3%	0.3%
Windows Desktop / PC Operating System	0.3%	0.3%
Social Software	0.3%	0.0%
Servers/Mainframe Equipment	0.3%	0.0%
Systems Mgmt Software	0.3%	0.0%
VPN/Remote Access	0.3%	0.0%
Wireless LAN	0.0%	0.3%
Internet of Things	0.0%	0.0%
Mobile Hardware	0.0%	0.0%
Windows Server / Operating System	0.0%	0.0%
Blockchain	0.0%	0.0%
Printers	0.0%	0.0%

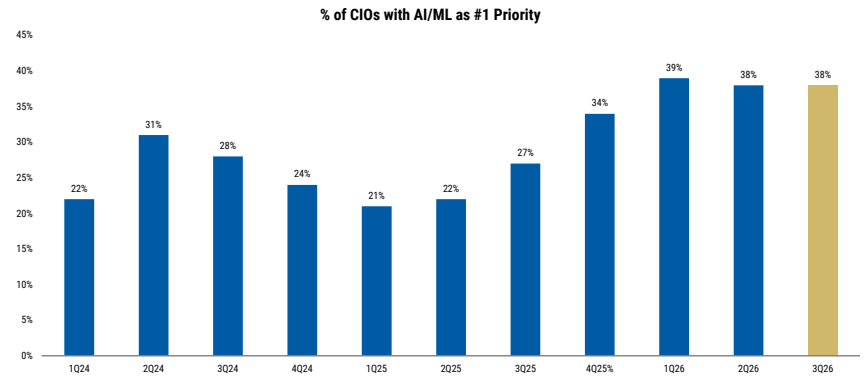
Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

Exhibit 7: AI/ML Prioritization Remains Highest Priority at 16% in 3Q26, Down From 18% in 2Q26



Source: AlphaWise, Morgan Stanley Research. n= 100 (US and EU data)

Exhibit 8: AI/ML's Position as CIO's Top Priority Remains Near Survey Highs in 3Q26



Source: AlphaWise, Morgan Stanley Research. n= 100 (US and EU data)

How the Segments are Positioned

- **Software Budget Support Improves, but Spending Priorities Remain Mixed**. CIOs expect Software spending to grow +4.3% in 2026, a 15 bp improvement vs 2Q26, with initial expectations for 2027 pointing to modest further acceleration to +4.4% (Exhibit 9). Despite modest budget acceleration, we see three positives for software vendors: 1) higher spending priorities across ERP, Data Warehousing (DW), and CRM, 2) increasing AI deployment in customer service and IT operations, and 3) a preference to buy AI capabilities rather than develop them internally.
  - **ERP, Data Management, and CRM gain spending priority.** Regarding CIO prioritization, ERP Applications (7.0% of responses, up from 5.0% in 2Q26), Data Warehousing/BI/ Analytics (7.0%, up from 4.7%), and CRM Applications (5.7%, up from 4.7%) all improved sequentially (Exhibit 19). We view these category improvements as a potential positive for ERP vendors (**SAP**/**ORCL**), data warehousing platforms (**SNOW**), and customer relationship management software (**CRM**), as their installed bases and embedded roles in enterprise workflows provide opportunities to capture incremental spending through additional functionality and greater platform usage.
  - **Increasing AI deployment in key business functions points to opportunities for incumbent software vendors.** CIOs most frequently cite IT Operations (50%, up from 47% in 2Q26), Customer Service (42%, up from 33%), and Software Development (41%, down from 44%) as business units where GenAI is most materially deployed (Exhibit 36). In our view, greater AI adoption in Customer Service and IT Operations could benefit **CRM** and **NOW** by creating opportunities to sell more AI offerings to their installed bases.
  - **CIOs favor buying AI capabilities from vendors over building them.** New procurement datapoints show 64% of CIOs plan to

primarily procure AI capabilities from application/SaaS, AI-native, or LLM Providers, versus 17% planning to build or develop them (Exhibit 38). This preference supports the opportunity for software vendors to sell new AI functionality, helping assuage investor fears around enterprises primarily developing those capabilities internally. However, CIO expectations for incremental GenAI spending-share gains point to a more selective vendor outlook, as we discuss below (Exhibit 1 and Exhibit 2).

- **Established Vendors Remain Relevant, but AI Spending Gains Are Uneven.** In our Software Initiation, The Moat & The Journey – Assessing Software Durability + Growth in the Age of AI, we highlight how installed bases, proprietary data, and critical workflows support established vendors, while product and pricing evolution remain key to turning AI into faster growth. Against this framework, our survey points to a mixed vendor outlook, with stronger near-term spending support for **MSFT**, limited sequential improvement for **CRM** and **NOW**, and selective adoption gains across Project Management vendors.
  - **Microsoft: Constructive Near-Term Outlook, but Sustaining AI Leadership Requires Continued Execution**. Microsoft leads expectations for incremental GenAI spending-share gains in 2026 (30% of responses, up from 27% in 2Q26) and cloud-migration budget-share gains (net score of +43%, up from +42%), supporting a constructive near-term outlook (Exhibit 1 and Exhibit 22). However, fewer responses identify Microsoft as an expected incremental GenAI spending share gainer over the next three years (28%, down from 30% in 2Q26), while LLM Providers are more frequently cited (21%, up from 17% in 2Q26) (Exhibit 2). Further, Microsoft's three-year cloud-migration net score downticked to +35% (down from +37% in 2Q26) (Exhibit 23) Net, the data supports a constructive near-term outlook, while longer-term competition reinforces the need for Microsoft to leverage its installed base, product breadth, security leadership, and CIO trust to drive incremental AI revenue. See more in our Microsoft Takeaways note, 3Q26 CIO Survey Takeaways - Reinforcing the Enterprise AI Flywheel.
  - **Salesforce and ServiceNow: Installed-base opportunity remains, but spending preferences show limited improvement**. Greater AI deployment in Customer Service and IT Operations supports opportunities for Salesforce and ServiceNow to sell additional capabilities into existing customer relationships (Exhibit 36). Yet expectations for incremental GenAI spending-share gains in 2026 are modestly lower for **CRM** (~7% of responses, down from ~8% in 2Q26) and broadly stable for **NOW** (~6%, versus ~6%) (Exhibit 1). Three-year expectations also moderate for **CRM** (~6%, down from ~8% in 2Q26) and **NOW** (~3%, down from ~5%) (Exhibit 2). While

greater AI adoption in Customer Service and IT Operations points to monetization opportunities for CRM and NOW, the lack of sequential improvement in GenAI spending preferences leaves us looking for stronger evidence of a near-term AI-led growth inflection.

- **Project/Task Management: ASAN and MNDY gain adoption, while TEAM's product-level results soften**. Reported usage increases for Asana (19%, up from 16% in 3Q25) and Monday.com (15%, up from 12%), while Jira Work Management declines (25%, down from 29%) (Exhibit 26). These gains support ASAN/MNDY's relative positioning, although fewer CIOs expect category spending to grow (28% for 2026, versus 30% for 2025 in the 3Q25 survey), tempering the revenue readthrough (Exhibit 27).

- **Networking growth improves; Spending more defensible, with F5 standing out.** Our 3Q26 CIO macro survey indicates an improvement in 2026 Networking growth expectations to 3.0%, up 39bps from 2.6% in 2Q26. Initial expectations for 2027 point to 2.8% growth, suggesting a similar spending environment next year. Overall IT budget growth also improves to 4.0% from 3.8%. Networking equipment moves to 3rd in defensibility from 4th, despite slipping to 9th in spending prioritization from 4th, suggesting greater resilience in underlying demand. Macro remains a headwind, with 37% of CIOs reducing project sizes, delaying projects or extending replacement cycles, compared with 26% in 1Q26, although cancellations remain limited at 3%. Higher equipment prices also appear unlikely to drive meaningful demand pull-forward, with only 18% of CIOs willing to accelerate purchases. Encouragingly, early evidence suggests AI is generating incremental networking budgets, with four of eight CIOs prioritizing AI preparation allocating net-new funding, although the sample remains small. Overall, we remain positive on enterprise networking demand, supported by security investment and campus refresh cycles. By vendor, **FFIV** shows the strongest sequential improvement in spending intentions, rising to +24% from +5%, alongside firmer hardware refresh plans. **CSCO** and **ANET** spending intentions remain positive at +28% and +25%, respectively, although both moderate sequentially.
- **Macro takes differ from domain specific CIOs that see Enterprise IT Hardware budgets accelerating into 2027.** Our first look into 2027 overall Hardware spend trends shows CIOs overall expect Hardware budgets to grow just +1.5% Y/Y, essentially unchanged from +1.5% in 2026, despite record levels of product inflations. However, by product category, CIOs expect spending growth to accelerate in 2027 across Storage (+4.3% Y/Y), PCs (+3.6% Y/Y), and Servers (+3.3% Y/Y) in 2027 (Exhibit 53), with Storage showing both the strongest growth and the longest runway for growth. Relative to our 2Q26 survey, 2027 growth expectations were revised 60bps lower for Storage and 150bps lower for Servers, while PCs were revised 40bps higher, and all remain well-

above historical trailing averages. Additionally, it's increasingly clear that higher component prices, longer lead times, and supply chain uncertainty are shaping purchasing behavior, with 43%/40%/32% of CIOs pulling planned 2027 Server/Storage/PC spend into 2026, respectively, all higher vs. 17%/27%/27% from our 2Q26 survey. That said, AI is also emerging as a tailwind to on-prem Hardware demand, particularly all-flash Storage, with 59% of CIOs expecting higher on-prem compute capacity needs (roughly in-line vs. our 2Q26 survey) and 69% expecting higher all-flash Storage capacity needs due to AI over the NTM (10pts higher vs. our 2Q26 survey). That said, workload repatriation back on-prem due to GenAI remains limited, with 43% of CIOs (vs. 40% in 3Q25) expecting to repatriate ~9% on average (slightly below our 3Q25 survey last year at ~10%), suggesting the AI tailwind to traditional on-prem Hardware spending may remain relatively modest. At the vendor level, average 3-year net spending intentions for hardware companies (i.e. % of CIOs expecting to spend more – spend less) improved 4 points to +16% vs. 1Q26, with EW-rated DELL (+31%, up 4pts) and OW-rated HPE (+28%, up 9pts) screening most positively, while UW-rated LOGI remained the only vendor with negative net intentions at -2% and is well below the infrastructure peer average (Exhibit 90), and EW-rated TDC also remaining tepid. **Overall, we'd characterize the 3Q26 Hardware results as still generally supportive of a stronger-for-longer on-prem hardware spending cycle, though it still appears to be primarily non-AI driven with increasing price playing a major factor, as well as stronger pull-forward than expected.**

- **CY26 IT Services budgets improve modestly, but repeatable AI returns remain key to reacceleration.** Our 3Q26 CIO Survey shows CY26 IT Services growth expectations improving +20bps q/q to +2.0% y/y (vs. +1.8% in 2Q26), while initial CY27 expectations imply similar growth at +2.0%. Current year Services expectations remain below the initial CY26 outlook of +2.5%. Regional trends remain uneven, with CY26 US Services growth expectations improving to +3.4% (vs. +1.9% in 2Q26), offset by EU weakness at (2.7%) (vs. +1.3%). AI remains the top CIO spending priority and ranks as the most defensible category in a downturn on a net basis, although visibility into realized value remains limited, with 42% of CIOs unsure of the value realized relative to AI token spend, while 28% report value below spend. We think greater urgency to demonstrate returns could encourage enterprises to engage Services partners to help realize measurable value from AI investments. Alternatively, greater selectivity could lead CIOs to discontinue projects with limited returns and redirect spending toward broader discretionary Services programs, potentially easing the crowding out dynamic. These remain possible paths to incremental Services demand rather than confirmed trends, while the ability to replicate successful implementations across customers with predictable returns remains critical to sustained growth. We view **ACN (EW)** as likely best

positioned for an eventual recovery in Services demand given its scale, enterprise relationships and exposure to large transformational programs, though we remain sidelined as we await clearer evidence of reacceleration.

Macro - Key Takeaways

We surveyed 76 US and 24 European CIOs regarding their external IT budgets and the current spending environment. Key macro takeaways from our 3Q26 survey include:

- **First look at 2027 budget growth expectations suggests broadly stable growth, increasing +1 bp YoY to +4.0%, modestly below the survey's 2010-2019 average of +4.1% (Exhibit 10). On a industry basis, CIOs expect Software to remain the fastest-growing technology category in 2027**, accelerating 8 bps YoY to +4.4%. IT Services is expected to accelerate +6 bps to +2.0%, while Communications (+2.8%) and Hardware (+1.5%) are expected to moderate by 17 bps and 2 bps, respectively (Exhibit 3).
- **Regionally, US CIOs continue to expect higher IT budget growth in 2027 at +4.4%, compared with +3.0% among their EU counterparts** (Exhibit 10). Relative to 2026 expectations, growth remains broadly stable in both regions, increasing by ~4 bps in the US and decreasing by ~8 bps in the EU.
- **Expectations for 2026 IT budget growth increased to +4.0%, from +3.8% in 2Q26,** +3.7% in 1Q26, and +3.4% in 4Q25. **Software continues to be the fastest-growing industry in 2026 at +4.3%**, followed by Communications (+3.0%), Services (+2.0%), and Hardware (+1.5%) (Exhibit 12). Sequentially, Software, Communications, and Services growth expectations increased by 15 bps, 39 bps, and 20 bps QoQ, respectively, while Hardware declined by 4 bps QoQ.
- **CIO confidence in the longer-term spending environment moved higher in 3Q26**. The long-term up-to-down ratio increased to 3.3x in 3Q26, from 2.8x in 2Q26 (Exhibit 17), with 46% of CIOs expecting IT spending as a percentage of revenue to increase over the next three years (up from 42% in 2Q26), while the percentage expecting IT spending to decrease declined to 14% (from 15% in 2Q26) Exhibit 16).

- **CIOs' expectations for revisions to 2026 budgets moved lower in 3Q26**, with the up-to-down ratio declining to 0.8x from 1.2x in 2Q26 (Exhibit 15). The share of CIOs expecting downward revisions to 2026 budgets outweighs the share expecting upward revisions (23% versus 19%) (Exhibit 14).

- **Vendor willingness to discount moderated in 3Q26, with CIOs indicating less aggressive discounting.** In our 3Q26 survey, 28% of CIOs perceived vendors as more aggressive in discounting, down from 35% in 2Q26, while 37% perceived vendors as less aggressive, up from 27% in 2Q26 (Exhibit 18).
- **AI/ML sustains its position atop the CIO priority list for the 12th consecutive quarter, despite moderating from last quarter's survey high** (Exhibit 20). AI/ML ranks as the top CIO priority at 16.0% of responses, down from 18.0% in 2Q26, followed by Security Software (12.0%), Digital Transformation (7.0%), ERP Applications (7.0%), and DW/BI/Analytics (7.0%), with the latter three categories tied for third. Cloud Computing also increased to 5.7% from 4.0% in 2Q26, tying CRM Applications for sixth overall (Exhibit 19). **While AI/ML remains the clear top priority, the percentage of CIOs naming AI/ML as their #1 priority remained unchanged at 38%, just below the 1Q26 survey high of 39%** (Exhibit 8).

- **AI/ML rose to become the most defensive IT project in 3Q26, with its net defensibility score increasing 1,300 bps QoQ to +17%, followed by Security Software (+16%), Networking Equipment (+7%), Digital Transformation (+4%), and Compliance Software (+3%)** (Exhibit 21). Strategy Consulting, CRM Applications, and Servers/Mainframe Equipment recorded the next-largest improvements (all +300 bps QoQ), although Strategy Consulting remained the least defensible initiative at -7%. Other less defensible initiatives included Desktop/Laptop Equipment (-6%), Business Process Outsourcing (-5%), and Printers, DevOps Software, Mobile Hardware, Cloud Repatriation, and Data Center Buildout (all -4%). Digital Transformation and ERP Applications saw the largest declines in net defensibility (both -500 bps QoQ), followed by Printers and Business Process Outsourcing (both -400 bps QoQ).
- As workloads shift to the cloud in 2026, **Microsoft and Amazon remain the clear beneficiaries, with net scores of +43% and +26%, respectively,** followed by Google at +4% and LLM providers and ServiceNow at +2% each (Exhibit 22). **Microsoft and Amazon also hold the top two spots over the next three years, with net scores of +35% and +11%**, respectively, followed by LLM providers at +7% (Exhibit 23). **Amazon recorded the largest sequential increase in its near-term net score** (+900 bps QoQ), followed by Google (+500 bps). Conversely, Dell and HPE face the highest risk of losing incremental share in 2026, with net scores of -12% and -11%, respectively, followed by Oracle at -9%. Over the next three years, Dell remains most at risk at -15%, followed by HPE and VMware at -8% each.
- **Microsoft products continue to dominate the Project Management/Task Management landscape**. In 3Q26, 59% of CIOs reported using Microsoft Teams/Microsoft Planner within their organizations, down from 62% in 3Q25, while 35% indicated usage of Microsoft Project or another Microsoft solution, compared with 36% in 3Q25 (Exhibit 26). Asana and Monday.com recorded the largest YoY usage gains, each increasing 300 bps to 19% and 15%, respectively, while Smartsheet declined 1,100 bps to 25% and Atlassian Jira Work Management decreased 400 bps to 25%. **AI adoption intentions strengthened, with 75% of CIOs expecting to use AI capabilities from their Project/Task Management vendors over the next 12 months, up from 71% in 3Q25** (Exhibit 30). With respect to standardization, Microsoft Teams/Microsoft Planner remained the leading platform at 27%, up 100 bps YoY, while Asana recorded the largest increase, rising 200 bps to 8% (Exhibit 29).
- **The survey showed a strengthening GenAI application production pipeline**, with 79% of CIOs expecting to have GenAI-based workloads in production by the end of 2027, up from 76% in 1Q26 (Exhibit 35). **AI initiative funding trends were mixed**, as the share of CIOs expecting funding to come from net new IT budget dollars declined to 26%, from 33% in 2Q26 and 37% in 4Q25, while the share expecting net new funding from outside IT increased to 24%, from 21% in 2Q26. Meanwhile, the share expecting funding to come from a reallocation of existing software budgets declined to 12%, from 15% in 2Q26 and 13% in 4Q25 (Exhibit 31).
- **CIOs appear more likely to procure than build the capabilities required to meet their AI objectives**. 64% of CIOs plan to rely primarily on preferred application/SaaS, AI-native, or LLM providers, compared with 17% that expect to build or

develop capabilities using third-party software, enterprise platforms, or hyperscalers (Exhibit 38).

- From a vendor perspective, 3Q26 data suggests **Microsoft remains the clear beneficiary of incremental GenAI spend**, on both a 2026 view (30%, up from 27% in 2Q26) and a three-year view (28%, down from 30% in 2Q26). LLM providers ranked second on both time horizons, increasing to 16% from 11% on a 2026 view and to 21% from 17% over the next three years. **Google** (8%), **Amazon** (7%), and **Salesforce** (7%) also screened positively as near-term share gainers, while **Amazon** (10%), **Google** (9%), **Salesforce** (6%), and **Databricks** (5%) ranked most positively over the next three years after Microsoft and LLM providers (Exhibit 39 & Exhibit 40) .
- Survey indications of the business units where Generative AI is most widely deployed suggest **IT Operations** (50%), **Customer Service** (42%), **Software Development** (41%), and **Supply Chain and Inventory Management** (14%) are leading GenAI adoption today (Exhibit 36).
- **Microsoft** (20%) remains the vendor most widely expected to be leveraged for AI agent strategies, followed by LLM providers collectively at 14%. Among individual vendors, **Salesforce**, **Amazon** (7%), **ServiceNow** (6%), and **Oracle** (5%) also screen as beneficiaries of the agentic AI theme (Exhibit 41).
- **Microsoft and LLM Providers lead CIO preferences for AI orchestration**. CIOs point to Microsoft (20% of responses) and LLM Providers (17%) as the leading choices for their AI control plane/orchestration layer, followed by Google and ServiceNow (5% each), Amazon and Salesforce (4% each), and Oracle and Snowflake (3% each) (Exhibit 42).
- **Open-weight models remain a limited component of AI workloads today but are expected to gain meaningful adoption**. Half of CIOs currently have no AI workloads running on open-weight models, a share expected to decline to 11% over the next three years. Conversely, 33% expect more than 20% of their AI workloads to run on open-weight models in three years, up from just 8% today (Exhibit 43). See more in our Global Thematics Team's note, Are Enterprises Really Adopting Open-Weight Models?
- **Returns on AI token spending remain mixed.** 13% of CIOs see ROI above spend, while 28% report ROI below token spend, compared with 17% seeing ROI in line with spend. Among CIOs able to assess returns, those reporting below-spend ROI exceed those reporting above-spend ROI (Exhibit 44). Meanwhile, 43% of CIOs already have controls on AI token consumption in place, another 31% plan to implement controls by 2H27, and 26% do not plan to implement controls until 2028 (Exhibit 45). Among CIOs able to assess the likely impact of these measures, 34% expect token spending to continue growing at a slower rate, 25% expect spending to remain roughly flat, and 13% anticipate an absolute decline, while 28% believe it remains too early to quantify the impact (Exhibit 46).

Note on Vendor Changes:

- Historical October 2015 (3Q15) Macro survey data reflects a different survey vendor, representing a higher mix of small businesses, and a change in business

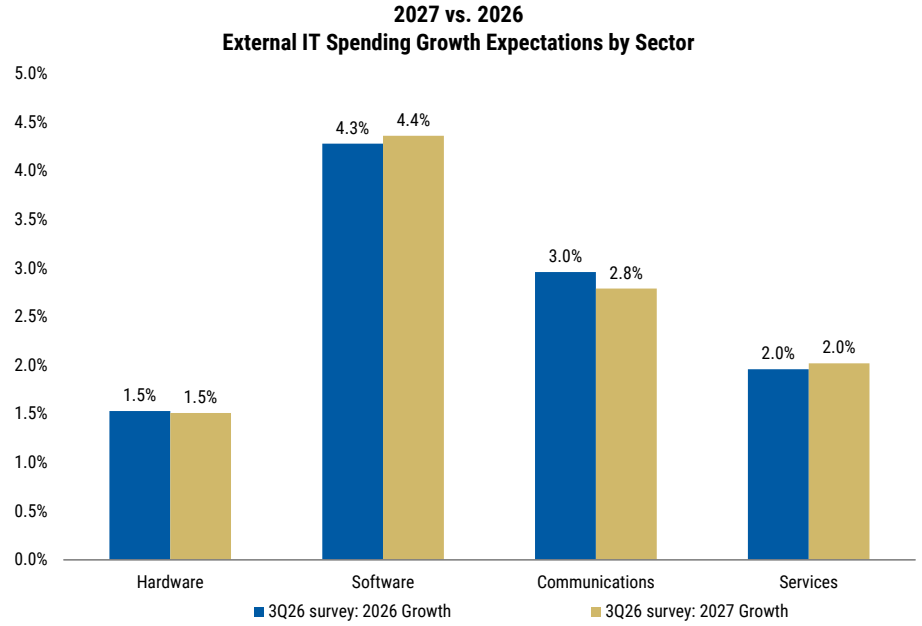
verticals represented. This may affect historical comparisons.

- In the first half of 2024, Domain and VARs surveys underwent a transition to a new vendor. Hence, comparisons with prior surveys conducted by legacy vendor could face possible comparability issues.

First Look at 2027 Spending Intentions Suggests CIOs Expect Broadly Stable Growth Next Year; Growth Expectations Remain Below Long-Term Survey Average

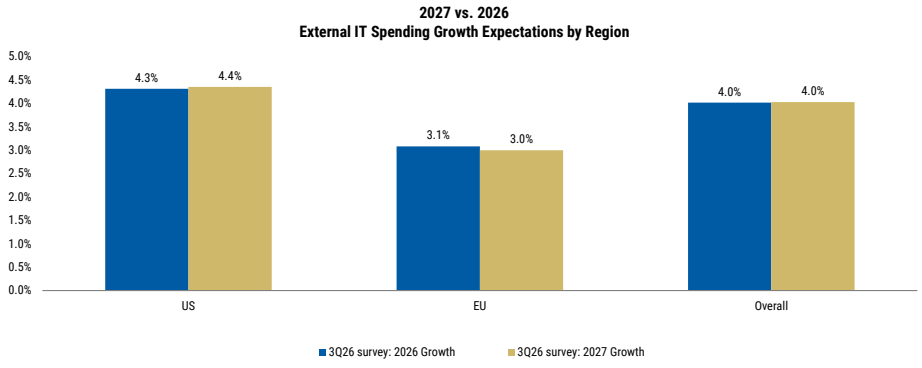
What is your estimated percentage (%) growth for the External IT Spending portion of your IT Budget for the full year 2026 vs. 2025? What is your estimated percentage (%) growth for the External IT Spending portion of your IT Budget for the full year 2027 vs. 2026?

Exhibit 9: CIOs Expect 2027 IT Spending Growth to Hold Roughly Flat vs. 2026; Software Continues to Lead the Pack in terms of Growth Expectations



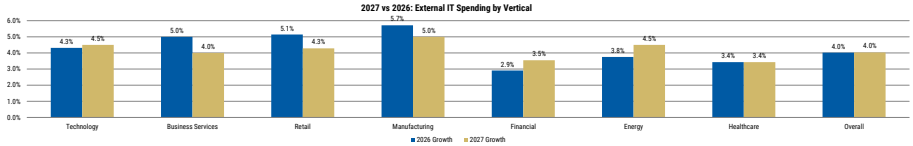
Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

Exhibit 10: EU CIOs Expect Slower Growth in '27 (+3.0%) Compared to their US Counterparts (+4.4%)



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

Exhibit 11: CIOs in the Manufacturing, Technology, and Energy Industries Expect the Highest IT Budget Growth in '27



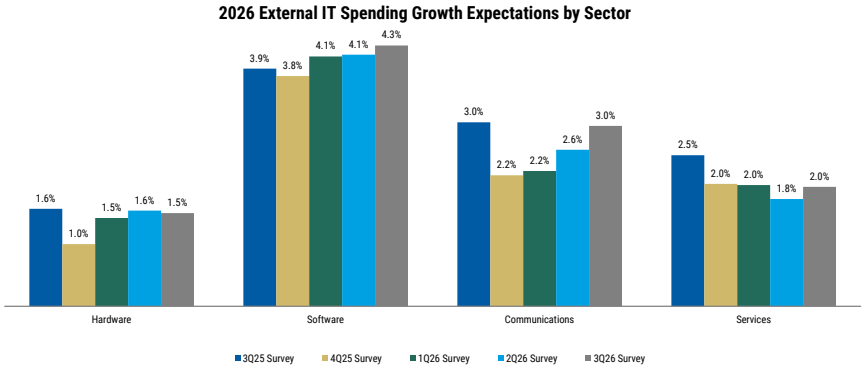
Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

- **Overall IT Spend Growth** is expected to remain broadly stable, increasing 1 bp YoY to 4.0% in 2027 (vs. 4.0% in 2026). While CIOs expect IT budget growth to hold steady, growth remains slightly below long-term averages (4.1% from 2010-2019 and 4.7% from 2017-2019). Regionally, US-based CIOs continue to have more robust IT budget growth expectations in 2027 at 4.4% (+4 bps YoY), compared with their European counterparts at 3.0% (-8 bps YoY) (Exhibit 10).
- **Industry:** Software remains the fastest-growing industry in our survey into 2027 (+8 bps YoY to 4.4% growth). Communications is expected to decelerate 17 bps YoY to 2.8% growth in 2027, followed by IT Services, which is expected to accelerate 6 bps YoY to 2.0% growth. Hardware is expected to remain the slowest-growing technology industry in 2027, declining 2 bps YoY to 1.5% growth (Exhibit 9).
- CIOs in the **Manufacturing** (+5.0%), **Technology** (+4.5%), and **Energy** (+4.5%) industries lead all other verticals in terms of absolute IT spending growth expectations for 2027 (Exhibit 11). Notably, 3Q26 survey results point to the largest magnitude of YoY acceleration in **Energy** (+75 bps vs. 2026), **Financials** (+64 bps), and **Technology** (+19 bps). In contrast, CIOs in **Business Services** (-100 bps YoY vs. 2026), **Retail** (-86 bps), and **Manufacturing** (-71 bps) indicate expectations for IT spending growth to decelerate from 2026 to 2027. Please note that the Business Services results reflect a sample size of one respondent.

3Q Results Indicate CIOs Expect 2026 Budget Growth of 4.0%, Improving from Prior Readings

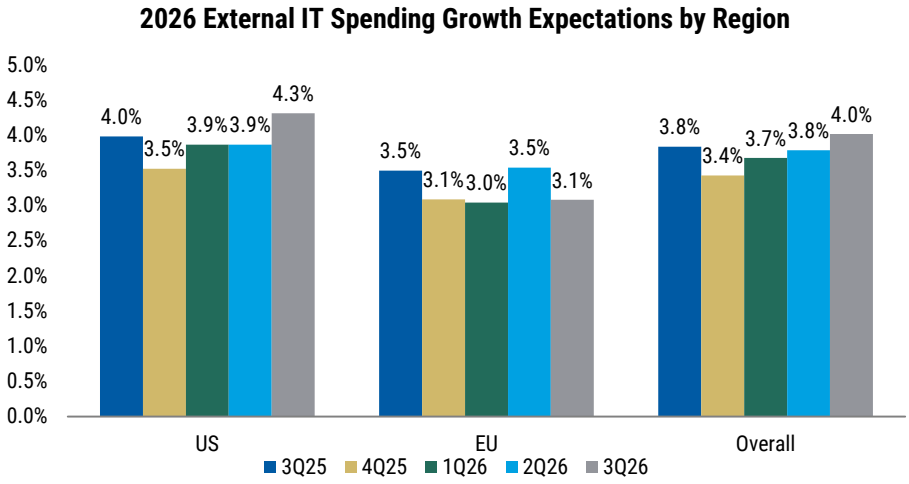
By what percentages do you expect your External IT Spending change for each of the following technology areas in 2026 vs. 2025? What was your percentage (%) growth for the External IT Spending portion of your IT Budget for the full year 2026 vs. 2025? What is your estimated spending for 2027 vs. 2026?

Exhibit 12: Overall 2026 IT Budget Expectations Improve Sequentially (+4.0% in 3Q vs. +3.8% in 2Q)



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

Exhibit 13: US CIOs expect faster IT Budget Growth in 2026 than their EU Counterparts, Consistent with Prior Surveys



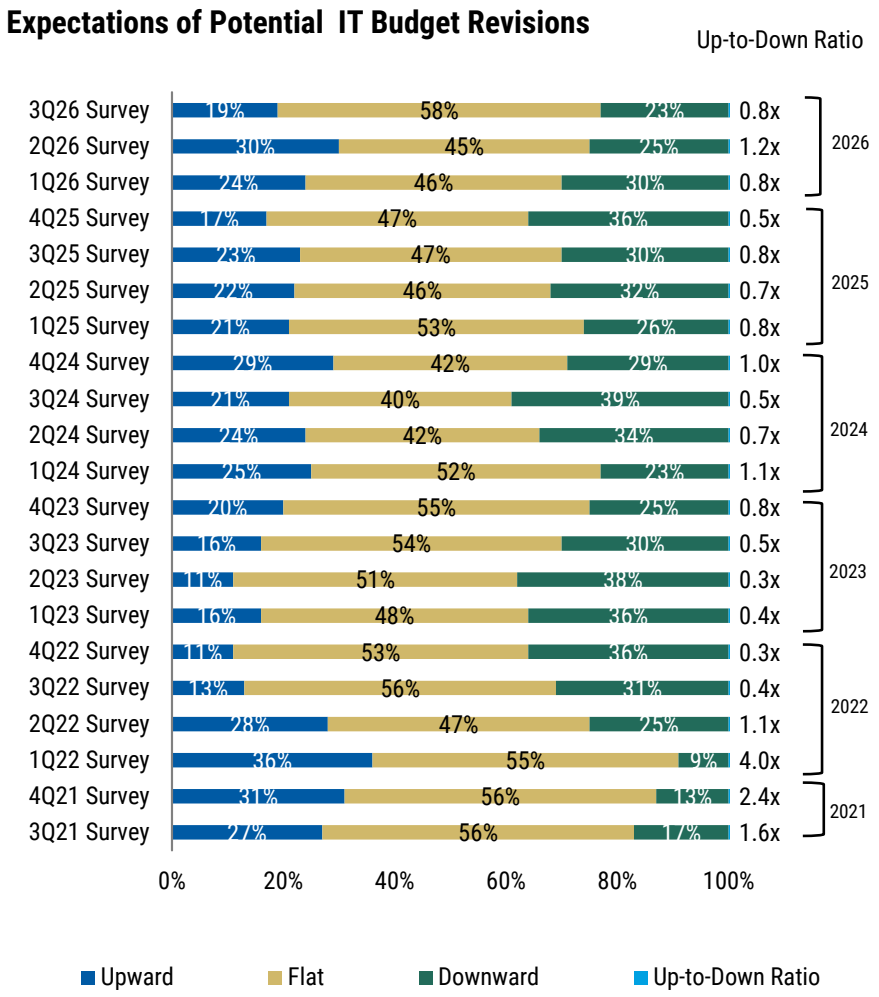
Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

- **Sequentially, 2026 budget growth expectations improved to 4.0% in 3Q26 from 3.8% in 2Q26 (+23 bps QoQ) (Exhibit 12), but remain slightly below the long-term survey average of 4.1%.**
- **Growth expectations for 2026 improved across most industries: Software** spend is expected to grow 4.3% (+15 bps QoQ), **Communications** spend 3.0% (+39 bps QoQ), and **IT Services** spend 2.0% (+20 bps QoQ), while **Hardware** spend is expected to grow 1.5% (-4 bps QoQ).

Downtick in 2026 Budget Revision Expectations, but Modest Improvement in 3-Year Expectations; Long-Term Trend Remains Durable

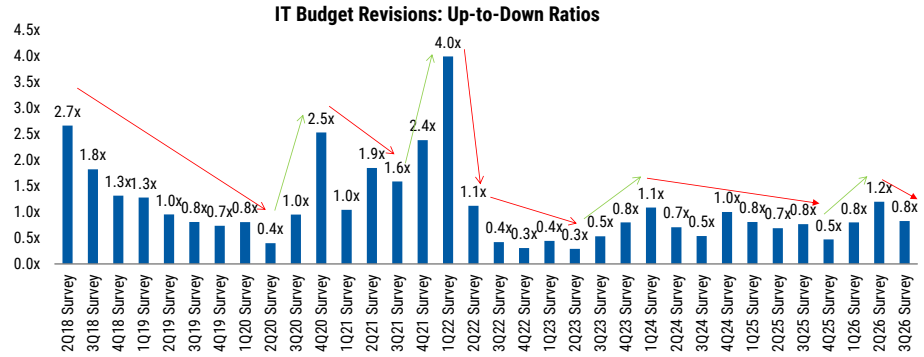
What are your expectations regarding potential future revisions to your current 2026 IT budget plans?

Exhibit 14: Up-to-Down Ratio Declined to 0.8x, Indicating Downward Revisions to IT Budgets Are More Likely Near-Term; 19% of CIOs View Upward Revisions as More Likely vs. 23% Expecting Downward Revisions



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

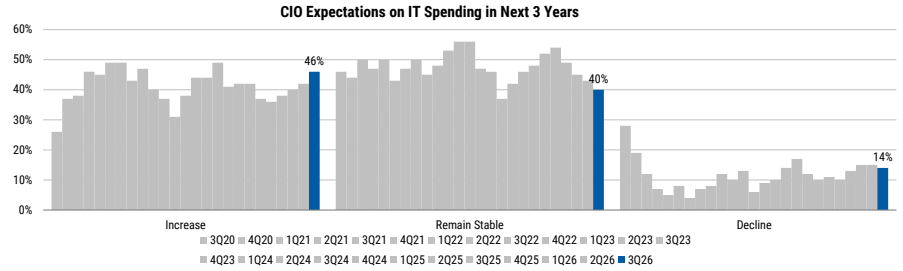
Exhibit 15: 1-Yr Up-to-Down Ratio Declined to 0.8x, Below the 12-Year Average of 1.2x



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

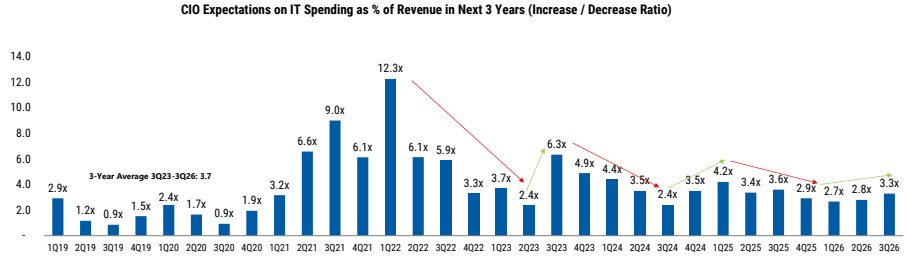
Over the next three years, how do you expect IT spending as a % of total revenues to change within your organization?

Exhibit 16: 46% of CIOs Expect IT Spending to Increase as a % of Total Revenue Over the Next 3 Years…



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

Exhibit 17: … Translating to a 3.3x Up-to-Down Ratio



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

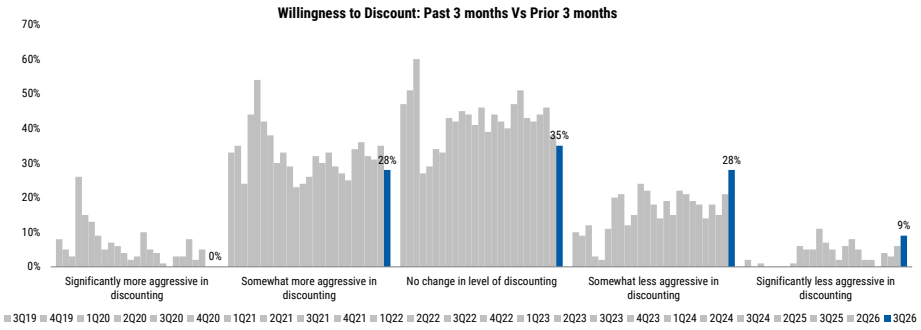
- **The 1-year up-to-down ratio for CIOs' expectations of potential IT budget revisions suggests CIOs see downside risk to near-term spending.** The up-to-down ratio for potential 2026 IT budget revisions came in at 0.8x, down from 1.2x in 2Q26, and remains below the 12-year average of 1.2x (Exhibit 15). While 19% of CIOs view upward revisions to 2026 budgets as more likely (down from 30% in 2Q26), 23% view downward revisions as more likely (down from 25% in 2Q26) (Exhibit 14).
- **CIOs' expectations for 3-year revisions remain in healthy territory, continuing to support a constructive medium-term outlook**. The long term up-to-down ratio rose to 3.3x in 3Q26 (Exhibit 17), up from 2.8x in 2Q26, as 46% of CIOs expect IT spending to increase as a percentage of total revenue over the next 3 years (up from 42% in 2Q26). By comparison, only 14% of CIOs expect IT spending to decline

as a percentage of revenue (down from 15% in 2Q26) (Exhibit 16).

Vendor Willingness to Discount Moderates, With Less Aggressive Discounting Increasing Sequentially

How do you perceive technology vendors' willingness to discount in the past three months versus prior three months (i.e. in 3Q26 versus 2Q26)?

Exhibit 18: 37% of CIOs Perceive Vendors as Less Aggressive in Discounting in 3Q26 (Compared to 27% in 2Q26)



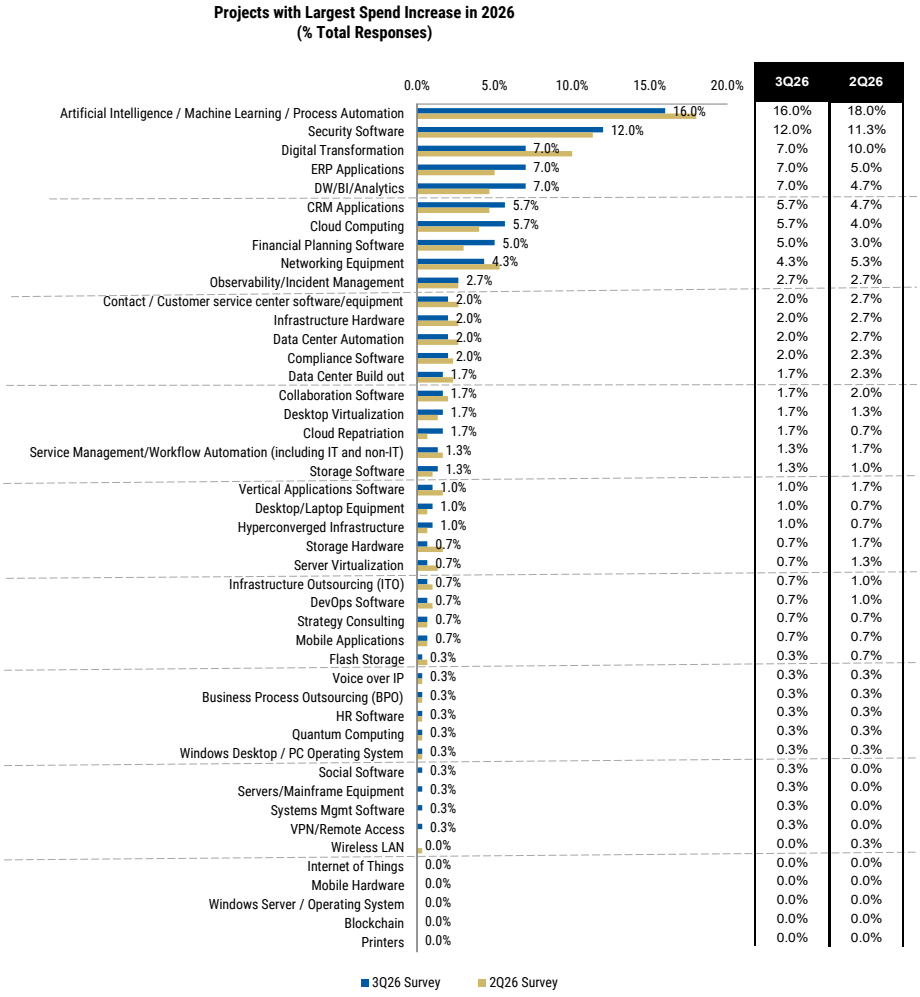
Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

- **CIOs indicate a moderation in vendor willingness to discount over the past 3 months relative to the prior three months** (28% of CIOs in 3Q26 indicate more aggressive discounting vs. 35% in 2Q26). By comparison, 37% of CIOs reported significantly less aggressive or somewhat less aggressive discounting practices (a notable uptick from 27% of CIOs in 2Q26) (Exhibit 18).

Artificial Intelligence/Machine Learning and Security Software Top the CIO Priority List, With Digital Transformation, ERP Applications, and DW/BI/Analytics Tied for Third Place

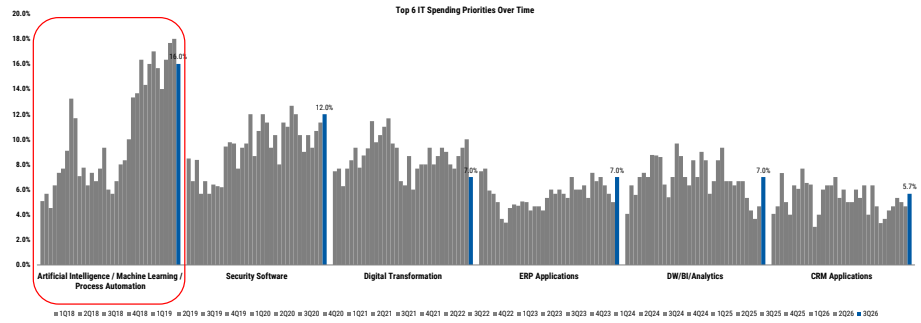
Which three External IT Spending projects will see the largest percentage increase in spending in 2026?

Exhibit 19: Top CIO Priorities in 3Q26: AI/ML, Followed by Security Software, With Digital Transformation, ERP Applications, and DW/BI/Analytics Tied for Third Place



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

Exhibit 20: Net AI/ML Prioritization Downticked in 3Q26, but Remains Quite Durable



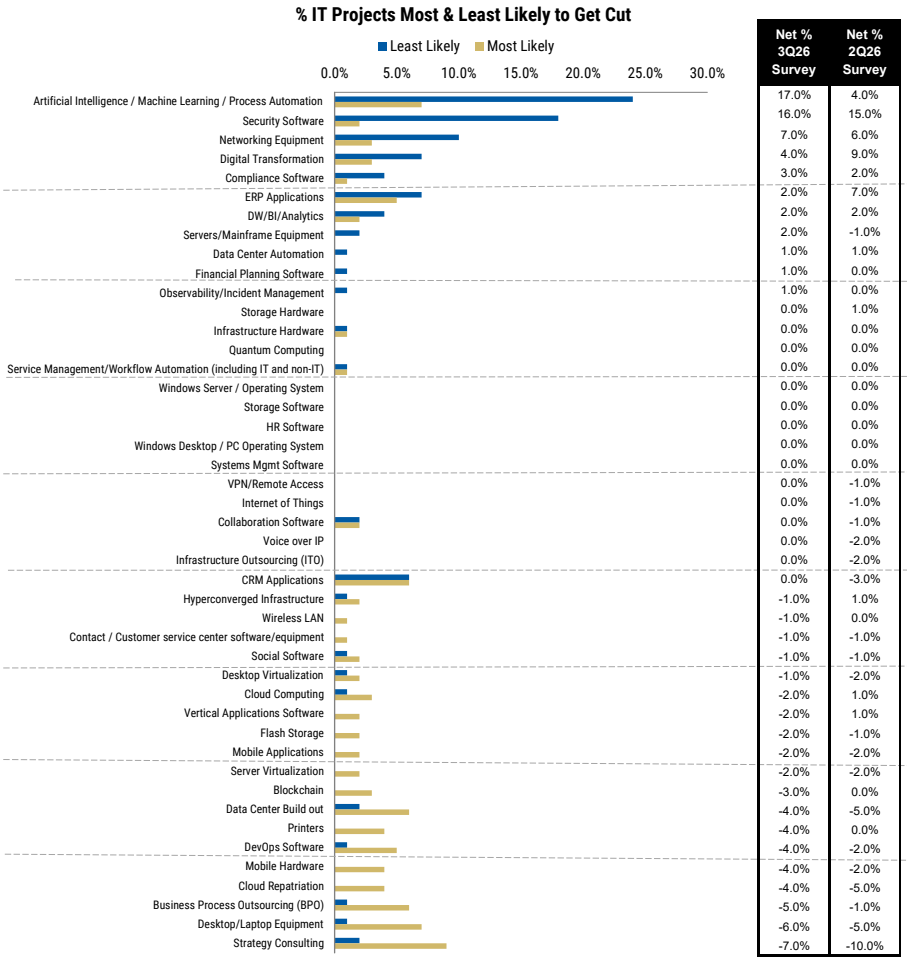
Source: AlphaWise, Morgan Stanley Research, n=100 (US and EU data)

- **In 3Q26, CIO priority list rankings remain relatively stable at the top: Artificial Intelligence/Machine Learning sustains positioning as CIOs' top priority (Exhibit 19).** Although net prioritization decreased 200 bps QoQ, the 16.0% reading remains elevated and underscores continued interest and investment (Exhibit 20). Security Software retained the #2 spot (12.0% of responses), increasing approximately 70 bps in net prioritization QoQ. Digital Transformation (7.0% of responses), ERP Applications (7.0%), and DW/BI/Analytics (7.0%) are tied for third place and round out the top five. Digital Transformation saw the largest QoQ decrease in net prioritization (-300 bps), although it remained among the top three priorities overall.

AI/ML Becomes the Most Defensive IT Project, Increasing Net Defensibility by a Wide Margin

If the economy worsens significantly in 2026, what spending project is most likely to get cut? What spending project is least likely to get cut?

Exhibit 21: AI/ML Overtakes Security Software as the Most Defensive Area of IT Spend, Followed by Networking Equipment



	Net % 3Q26 Survey	Net % 2Q26 Survey
Artificial Intelligence / Machine Learning / Process Automation	17.0%	4.0%
Security Software	16.0%	15.0%
Networking Equipment	7.0%	6.0%
Digital Transformation	4.0%	9.0%
Compliance Software	3.0%	2.0%
ERP Applications	2.0%	7.0%
DW/BI/Analytics	2.0%	2.0%
Servers/Mainframe Equipment	2.0%	-1.0%
Data Center Automation	1.0%	1.0%
Financial Planning Software	1.0%	0.0%
Observability/Incident Management	1.0%	0.0%
Storage Hardware	0.0%	1.0%
Infrastructure Hardware	0.0%	0.0%
Quantum Computing	0.0%	0.0%
Service Management/Workflow Automation (including IT and non-IT)	0.0%	0.0%
Windows Server / Operating System	0.0%	0.0%
Storage Software	0.0%	0.0%
HR Software	0.0%	0.0%
Windows Desktop / PC Operating System	0.0%	0.0%
Systems Mgmt Software	0.0%	0.0%
VPN/Remote Access	0.0%	-1.0%
Internet of Things	0.0%	-1.0%
Collaboration Software	0.0%	-1.0%
Voice over IP	0.0%	-2.0%
Infrastructure Outsourcing (ITO)	0.0%	-2.0%
CRM Applications	0.0%	-3.0%
Hyperconverged Infrastructure	-1.0%	1.0%
Wireless LAN	-1.0%	0.0%
Contact / Customer service center software/equipment	-1.0%	-1.0%
Social Software	-1.0%	-1.0%
Desktop Virtualization	-1.0%	-2.0%
Cloud Computing	-2.0%	1.0%
Vertical Applications Software	-2.0%	1.0%
Flash Storage	-2.0%	-1.0%
Mobile Applications	-2.0%	-2.0%
Server Virtualization	-2.0%	-2.0%
Blockchain	-3.0%	0.0%
Data Center Build out	-4.0%	-5.0%
Printers	-4.0%	0.0%
DevOps Software	-4.0%	-2.0%
Mobile Hardware	-4.0%	-2.0%
Cloud Repatriation	-4.0%	-5.0%
Business Process Outsourcing (BPO)	-5.0%	-1.0%
Desktop/Laptop Equipment	-6.0%	-5.0%
Strategy Consulting	-7.0%	-10.0%

Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

- **AI/ML** (net score of 17%) is now the most defensible area of IT spend (24% of CIOs view AI/ML as the category least likely to be cut in a downturn, versus 7% indicating most likely), following a **13 point increase** in net defensibility QoQ. **Security Software** (net score of 16%) remains highly defensible and ranks second, with 18% of CIOs viewing Security as least likely to be cut versus 2% indicating most likely (Exhibit 21). Security spending continues to gain share of IT budgets, supported by three secular drivers: 1) **Addressing technical debt**, as enterprises modernize legacy network and endpoint defenses to protect against increasingly sophisticated AI-enabled attacks; 2) **Improving security analyst productivity**, using AI to automate routine tasks and accelerate threat investigation and response, helping security teams keep pace with rising attack volumes; and 3) **Securing enterprise AI adoption**, as the proliferation of models and agents

expands the attack surface, creating new requirements to protect sensitive data, govern agent access and secure AI workloads

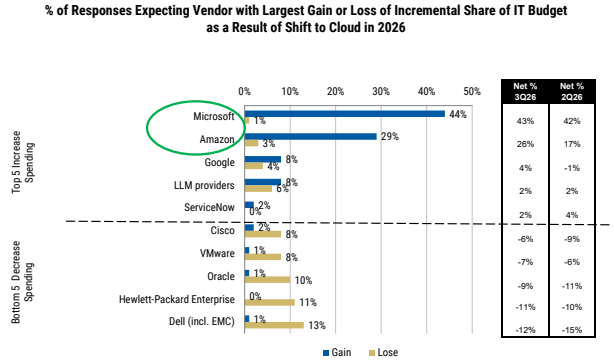
- Networking Equipment (net score of 7%) ranks as the third most defensible area of IT spend, increasing 100 bps QoQ. Notably, AI/ML moved to the top position from fifth in 2Q26 following the largest increase in net defensibility. Conversely, Digital Transformation and ERP Applications each saw the largest decreases in net defensibility (-500 bps QoQ), with net scores declining to 4% and 2%, respectively.

Microsoft and Amazon Remain the Clear Cloud Beneficiaries Across Time Horizons; Azure Leads Usage, While Azure and AWS Spending Is Expected to Grow 15% in 2026.

As you shift workloads from on-premise to the cloud, which of these vendors do you expect to gain/lose the largest incremental percentage of your IT budget in 2026? Which do you expect to be the largest gainer/loser over the next three years?

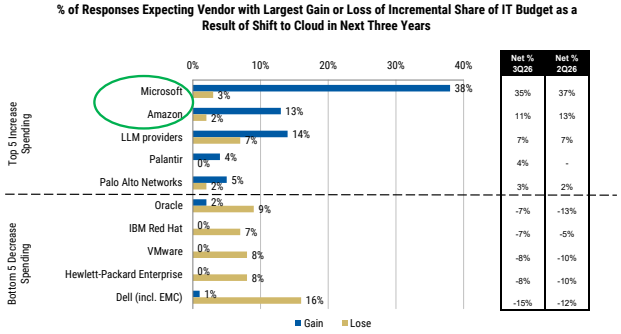
By what percentage do you expect spending to grow on the following public cloud providers in 2026?

Exhibit 22: Microsoft and Amazon Continue to Lead as the Top Incremental Share Gainers due to Cloud Shift in 2026...



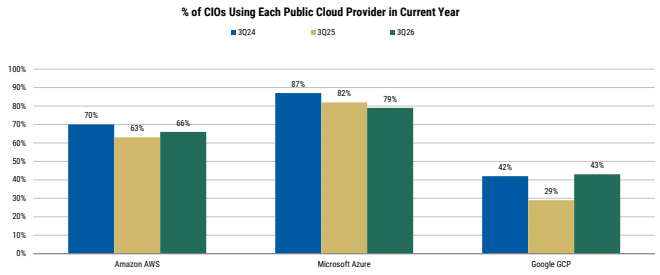
Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

Exhibit 23: ...And Retain the Top Two Spots Over the Next Three Years, Followed by LLM Providers



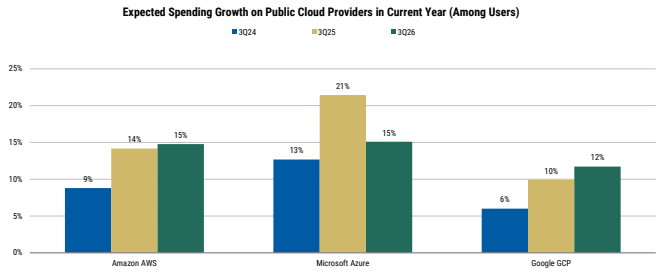
Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

Exhibit 24: Azure Remains the Most Widely Used Public Cloud Provider, While AWS and GCP Usage Increased YoY



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

Exhibit 25: Azure and AWS Users Expect ~15% Spending Growth in 2026, with GCP Users Expecting ~12% Growth



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data);); 2026 spending-growth bases among users: AWS n=66, Azure n=79, GCP n=43

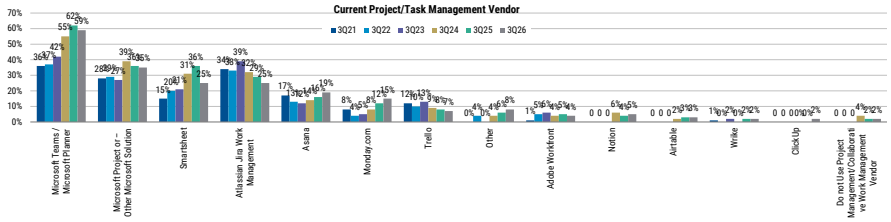
- **As workloads shift to the cloud in 2026, Microsoft and Amazon remain the clear beneficiaries.** Similar to previous surveys, **Microsoft** and **Amazon** remain best positioned to gain incremental IT budget share in 2026 (Exhibit 22). Notably, Amazon saw the largest sequential increase in net share gain, rising 900 bps to 26%. Microsoft's lead over other vendors remains sizable (+43% versus +26% for Amazon and +4% for Google). Over the next three years, CIOs pointed to Microsoft and Amazon as the top two share gainers, with net share gains of 35% and 11%, respectively. **LLM providers** rank third at 7%, while newly added **Palantir** ranks fourth at 4% (Exhibit 23).
- **Public cloud usage and spending intentions remain constructive**. **Azure** remains

the most widely used provider in 2026 at 79% of CIOs, followed by AWS at 66% and GCP at 43%; AWS and GCP usage increased from 63% and 29%, respectively, in 2025, while Azure declined from 82% (Exhibit 24). Among current users, **CIOs expect spending on Azure and AWS to grow 15% in 2026**, followed by GCP at 12%. This compares with 2025 growth expectations of 21% for Azure, 14% for AWS, and 10% for GCP (Exhibit 25).

Microsoft Remains the Leader in the Project/Task Management Space; 92% of CIOs Expect Spending to Grow or Remain Stable in 2026

Which of the following Project Management/ Collaborative Work Management vendors do you use in your organization today?

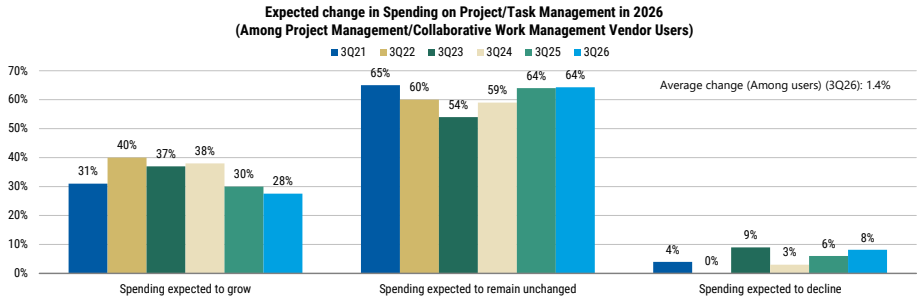
Exhibit 26: Microsoft Offerings Remain the Most Popular Project/Task Management Solutions Among CIOs Surveyed, While Atlassian's Jira Work Management and Smartsheet Tie for Third Despite Losing Share



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

How do you expect your organizations spending on Project Management/ Collaborative Work Management to change in 2026?

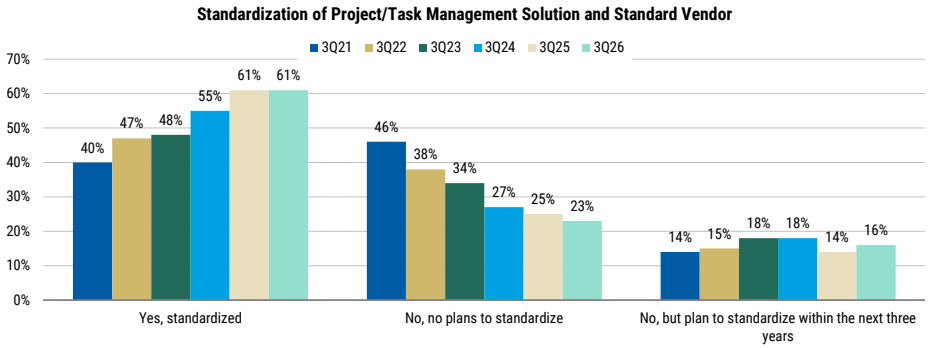
Exhibit 27: 28% of CIOs Expect Spend on Project/Task Management to Increase in 2026, Down from 30% in 3Q25



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data). 2026 chart base: n=98 users.

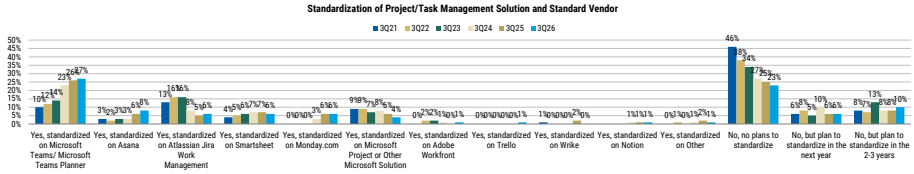
Has your organization standardized on an enterprise-wide standard Project Management / Collaborative Work Management solution? If so, which vendor have you standardized on?

Exhibit 28: 61% of CIOs Are Standardized on a Vendor Today, Unchanged from 3Q25 and Up from 55% in 3Q24



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

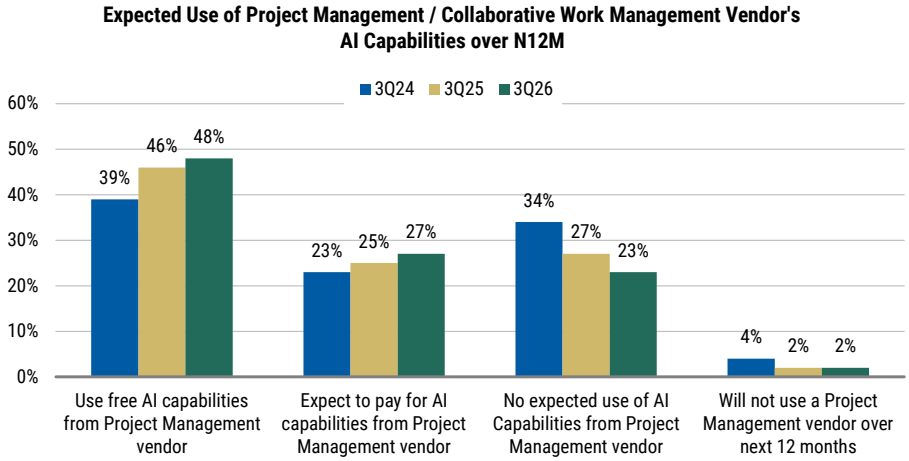
Exhibit 29: 31% of CIOs Are Standardized on Microsoft, Followed by a Long Tail of Vendors (8% on Asana; 6% Each on Smartsheet, Monday.com, and Atlassian's Jira Work Management)



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

How would you characterize your organizations expected use of your Project Management/ Collaborative Work Management Vendors' Artificial Intelligence capabilities over the next 12 months?

Exhibit 30: 27% of CIOs Expect to Pay for AI Capabilities from Project/Task Management Vendor over the NTM, While the Majority of CIOs (48%) Expect to Utilize Free Capabilities



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

- **Microsoft Teams/Planner and Microsoft Project** remain the most popular Project/Task Management solutions among CIOs surveyed, followed by **Smartsheet** and **Atlassian's Jira Work Management**, which are tied at 25%. We note that Jira Work Management's market share continues to trend negatively (-400 bps YoY), although it continues to hold significant share relative to the long tail of vendors in the space (Exhibit 26).
- **61% of CIOs say their enterprise is currently standardized on a single solution**, unchanged from 3Q25, while an additional 16% say their organization plans to standardize within the next three years, up from 14% in 3Q25 (Exhibit 28). **Microsoft** remains the most likely choice, with 31% of CIOs indicating their enterprise is standardized on one of Microsoft's solutions, down modestly from 32% in 3Q25, followed by **Asana** at 8%, and **Smartsheet**, **Monday.com**, and **Atlassian's Jira Work Management** at 6% each (Exhibit 29).
- Among CIOs using Project/Task Management solutions, 28% expect spending to grow in 2026 (down from 30% in 3Q25), while 64% expect spending to remain unchanged and 8% expect spending to decrease (up from 6% in 3Q25)(Exhibit 27).

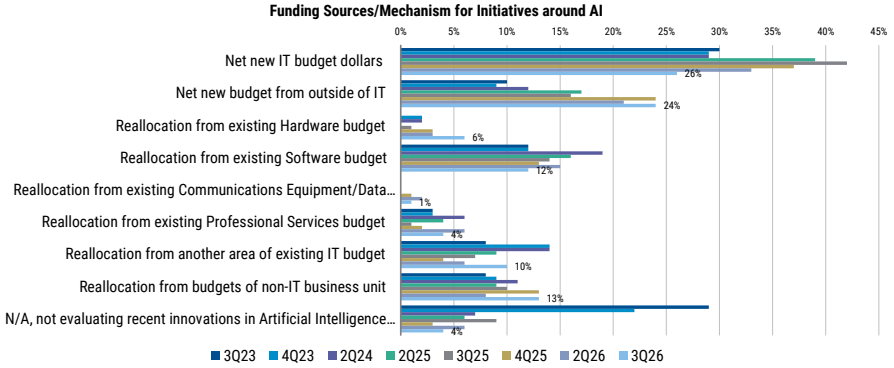
- **In terms of Generative AI utilization, 75% of CIOs indicate intentions to use Generative AI capabilities from their Project Management/Task Management vendor over the next 12 months.** Of that 75%, 27% of CIOs expect to pay their Project/Work Management vendor for Generative AI functionality over the NTM, while 48% expect to utilize free Generative AI functionality (Exhibit 30).

Artificial Intelligence/Machine Learning

Have recent innovations in Artificial Intelligence around Large Language Models (e.g. ChatGPT) or Generative Design (e.g. Dall-e) had any impact on your IT investment priorities in 2026?

If evaluating or using recent innovations in Artificial Intelligence around Large Language Models (e.g. GPT-5), which of the following best describes how these initiatives are funded?

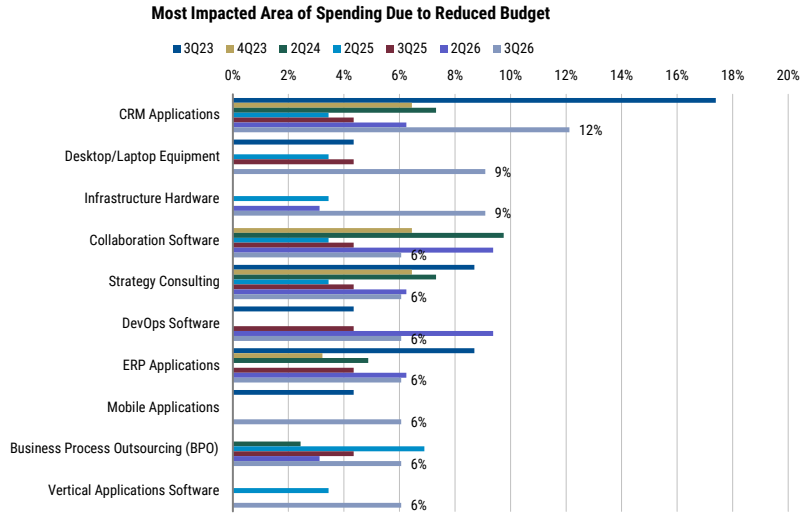
Exhibit 31: The % of CIOs Indicating Funding AI Ventures Through Net New IT Budget Dollars Ticked Down to 26% (from 33% in 2Q26), While the % Indicating Funding Through Reallocation of Existing Software Budget Declined to 12% (from 15% in 2Q26)...



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

You mentioned reallocating budget dollars from other areas of your IT budget to fund new projects around innovations in artificial Intelligence around Large Language models (e.g. GPT-5). What project is being cut?

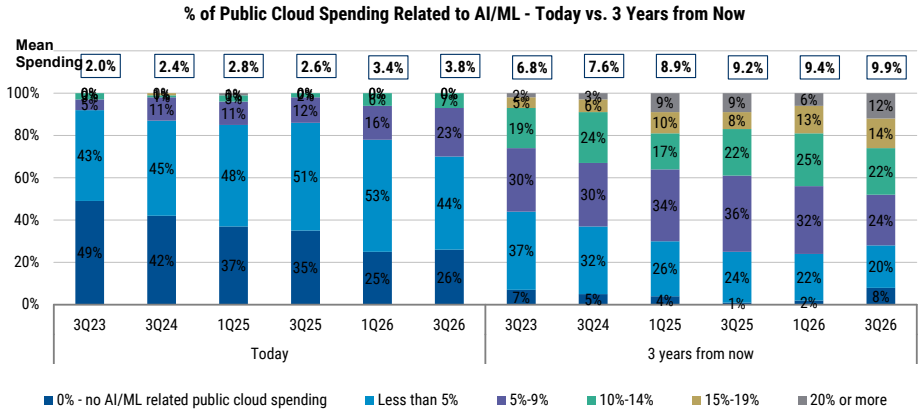
Exhibit 32: ...putting CRM Applications, Desktop/Laptop Equipment, and Infrastructure Hardware Projects Being Most Impacted by Reallocations



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

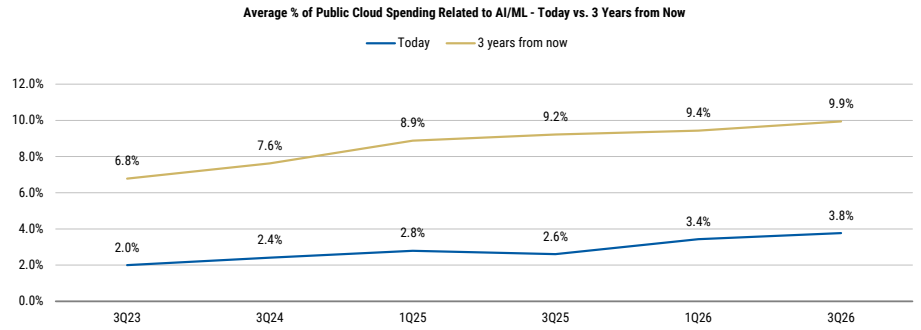
What percentage of your public cloud spending, if any, is related to AI/ML (Artificial intelligence/Machine Learning) today? What percentage do you expect 3 years from now?

Exhibit 33: AI/ML Is Expected to Represent a Meaningfully Greater Share of Public Cloud Spending, With 48% of CIOs Anticipating 10%+ in Three Years vs. 7% Today…



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

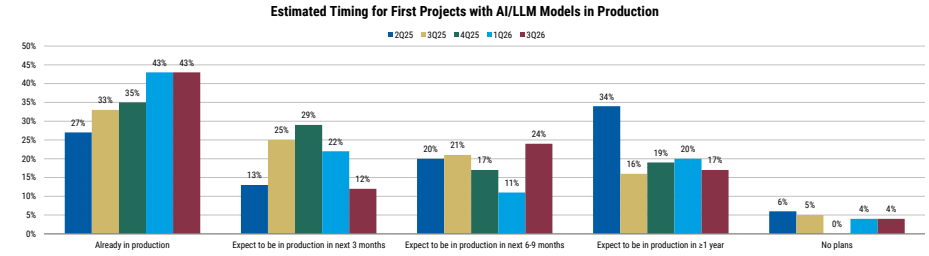
Exhibit 34: …Driving the Average AI/ML Share of Public Cloud Spending from 3.8% Today to 9.9% in Three Years.



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

When do you expect to have first project with recent innovations around Artificial Intelligence/Large Language models in production?

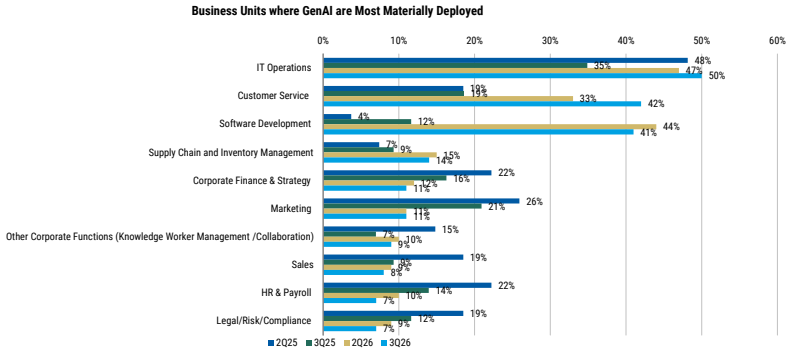
Exhibit 35: 3Q26 Data Shows GenAI Production Deployments Holding at 43%, with the Next Leg Shifting Out to 2027



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

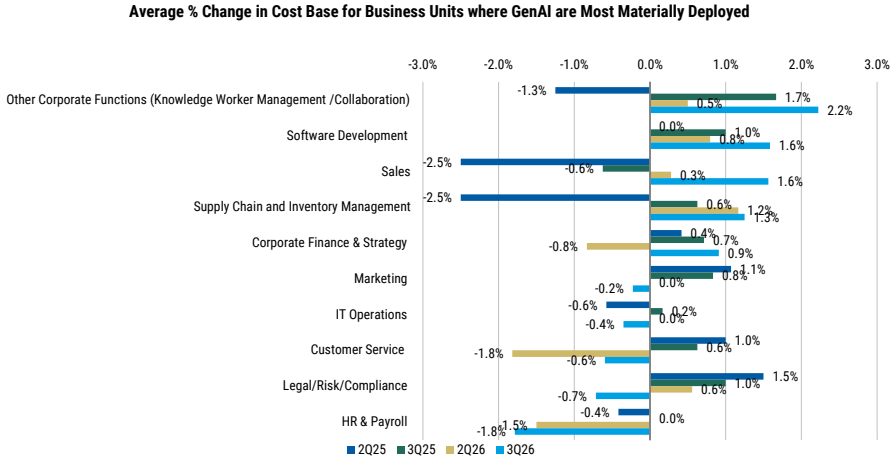
What change in the respective cost base have you seen from Generative AI/LLM usage over the last 12 months within the two business units where Generative AI/LLMs are deployed most materially across your organization?

Exhibit 36: From a Business Unit Perspective, CIOs Note GenAI Is Most Widely Deployed Across IT Operations, Customer Service, & Software Development



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data). We note a low response base for some categories in this question. (HR & Payroll n=7, Legal/Risk/Compliance n=7, Sales n=8 and Other Corporate Functions n=9)

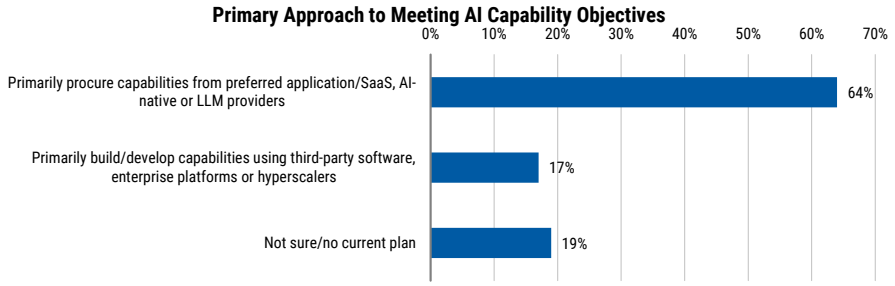
Exhibit 37: Usage of Generative AI is Driving Efficiency in HR & Payroll (-1.8%), Legal/Risk/Compliance (-0.7%), and Customer Service (-0.6%). Higher AI ROI Potentially Driving Increased Investment in Other Corporate Functions (+2.2%) and Software Development (+1.6%)



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data). We note a low response base for some categories in this question. (HR & Payroll n=7, Legal/Risk/Compliance n=7, Sales n=8 and Other Corporate Functions n=9)

How do you plan to meet your objectives regarding your AI initiatives and capabilities for your organization?

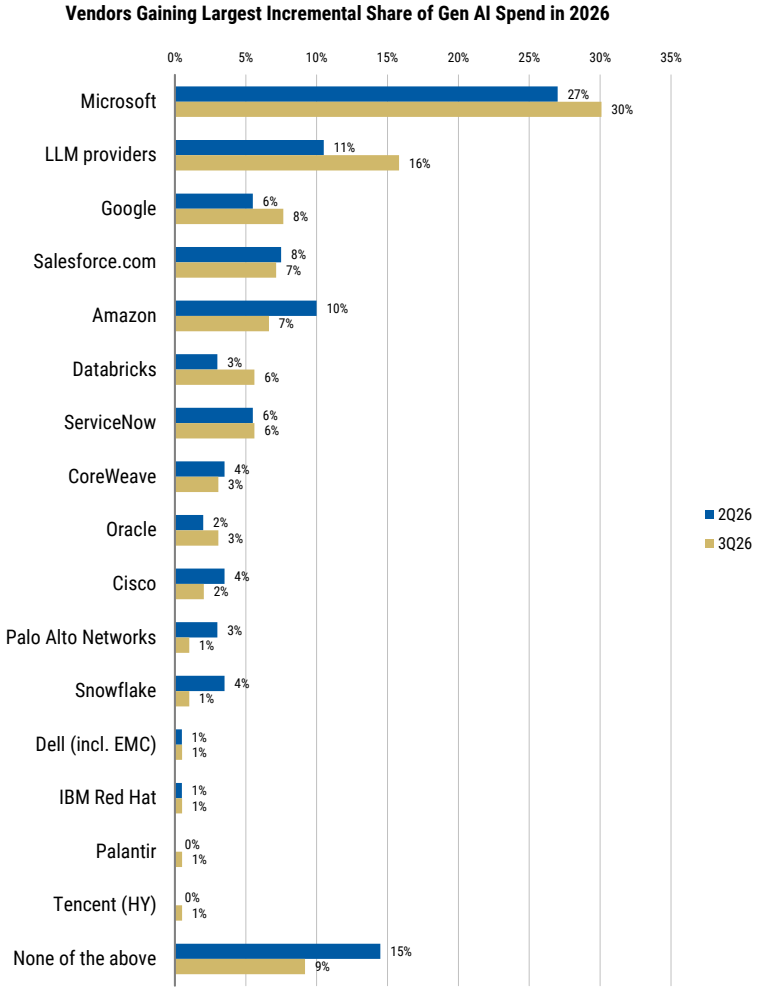
Exhibit 38: 64% of CIOs Plan to Primarily Procure AI Capabilities, Versus 17% Who Plan to Build



Source: (New Data), AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

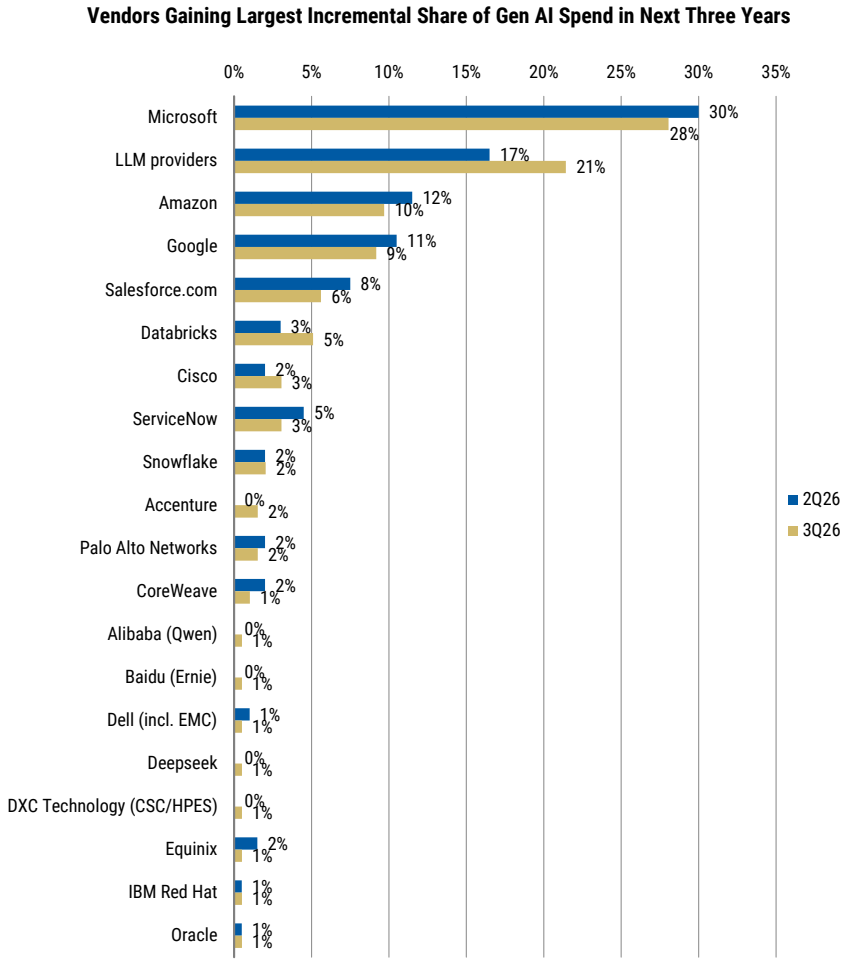
Which two vendors do you expect to gain the largest incremental share of Gen AI Spend at your company in 2026? Which two vendors do you expect to gain the largest incremental share of Gen AI Spend at your company over the next three years?

Exhibit 39: CIOs Note Expectations for Microsoft, LLM Providers, and Google to Gain Share of GenAI Spend in 2026



Source: AlphaWise, Morgan Stanley Research. n= 196 (US and EU data)

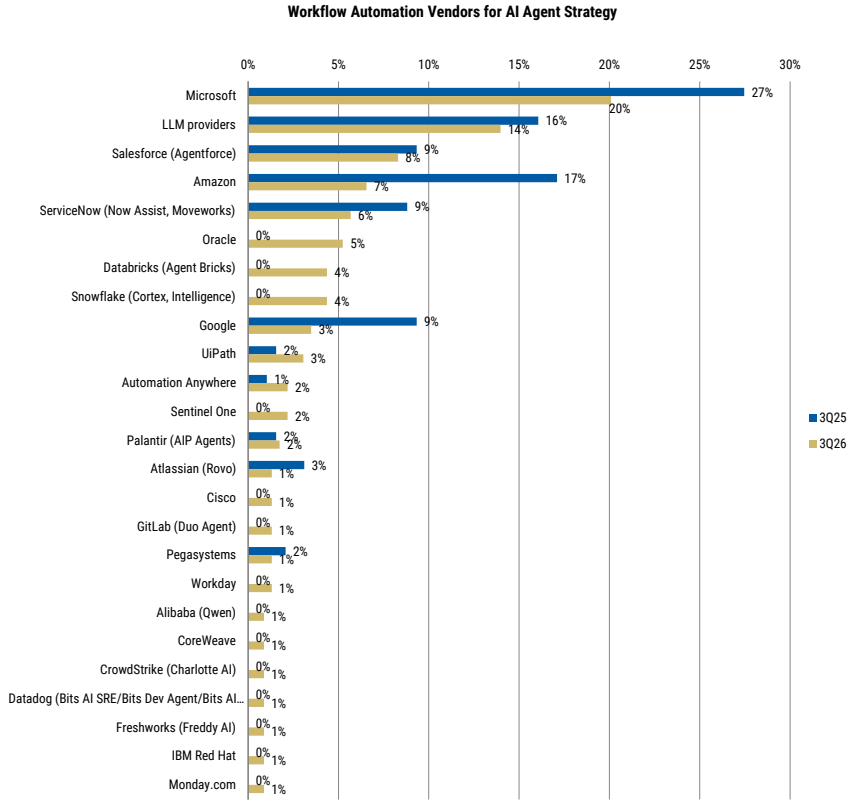
Exhibit 40: Over the Next Three Years, CIOs Note Expectations for Microsoft, LLM Providers, Amazon, and Google to Gain Share of GenAI Spend



Source: AlphaWise, Morgan Stanley Research. n= 196 (US and EU data).

Which of the following Workflow Automation / Process Automation vendors are you most likely to leverage for your AI agent strategy?

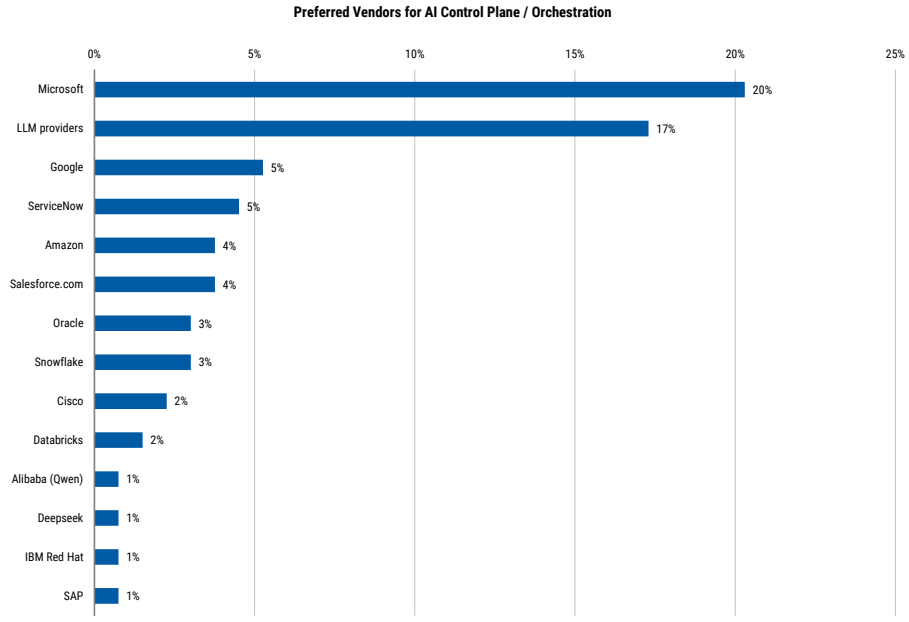
Exhibit 41: Microsoft (20%) and LLM Providers (14%) Screen as Most Likely to Be Leveraged for AI Agent Strategies, Followed by Salesforce (8%) and a Long Tail of Additional Vendors (Amazon, ServiceNow, Oracle)



Source: AlphaWise, Morgan Stanley Research. n= 229 (US and EU data).

Which of the following vendors do you prefer to serve as your AI Control Plane / Orchestration Layer for your Agentic deployments?

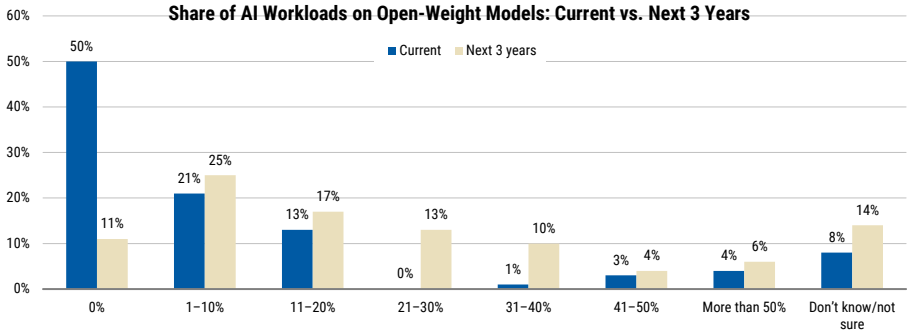
Exhibit 42: Microsoft (20%) and LLM Providers (17%) Lead a Fragmented Market for AI Control Plane / Orchestration Layers



Source: (New Data), AlphaWise, Morgan Stanley Research. n= 133 (US and EU data).

Approximately what percentage of your organization's AI workloads currently run on open-weight (or open-source) models? Over the next three years, approximately what percentage of your organization's AI workloads do you expect to run on open-weight (or open-source) models?

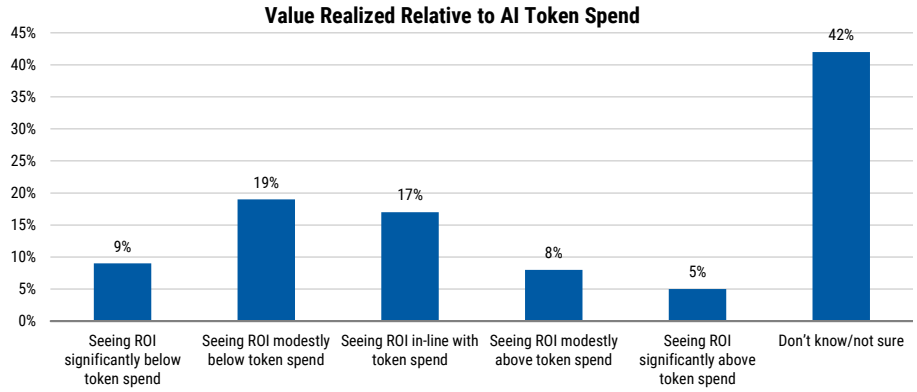
Exhibit 43: CIOs Expect Open-Weight Models to Support a Greater Share of AI Workloads Over the Next Three Years



Source: (New Data), AlphaWise, Morgan Stanley Research. n= 100 (US and EU data).

Given the current magnitude of your AI token spend, how much value are you realizing from these investments?

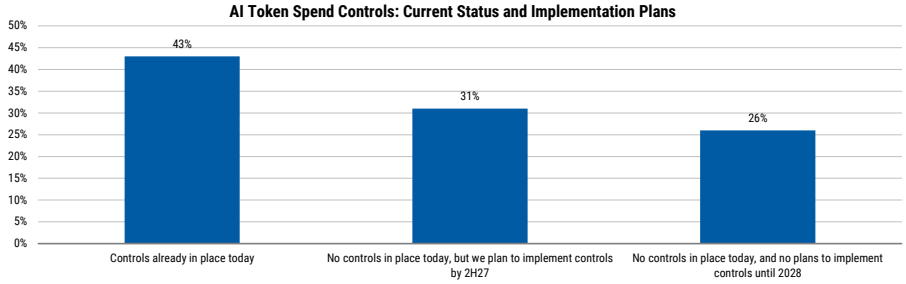
Exhibit 44: 42% of CIOs Are Not Yet Able to Assess ROI on AI Token Spend, While 28% Report Returns Below Spend



Source: (New Data), AlphaWise, Morgan Stanley Research. n= 100 (US and EU data).

Are you implementing policies and initiatives to control or slow the growth of your AI token spend?

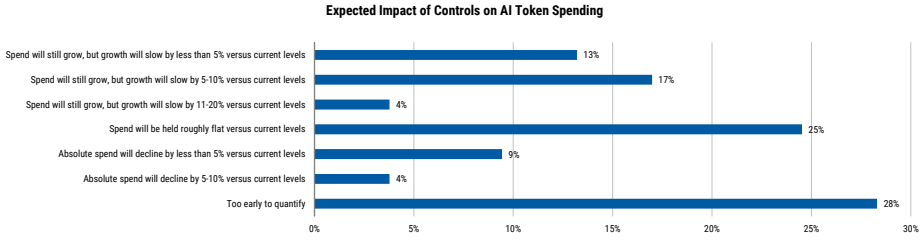
Exhibit 45: 43% of CIOs Have Controls in Place to Manage AI Token Spend, While Another 31% Plan to Implement Controls by 2H27



Source: (New Data), AlphaWise, Morgan Stanley Research. n= 100 (US and EU data).

By what percentage do you plan to slow or cut AI token spend growth by?

Exhibit 46: CIOs Expect Token Spend Controls to Slow Growth, Though 28% Say It Is Too Early to Quantify the Impact



Source: (New Data), AlphaWise, Morgan Stanley Research. n= 53 (US and EU data).

- **Amid investor debate around the magnitude and timing of AI's impact on broader IT budgets, 3Q26 survey data points to a more mixed funding environment**. The share of CIOs funding AI/LLM initiatives through net new IT budget dollars declined to 26% from 33% in 2Q26, while 33% are reallocating funds from other areas of existing IT budgets, up modestly from 32%. Meanwhile, 24% cite net new funding from outside IT, up from 21%, and 13% are reallocating budgets from non-IT business units, up from 8% (Exhibit 31). Among CIOs reallocating existing IT budgets, CRM Applications (12%), Desktop/Laptop Equipment (9%),

and Infrastructure Hardware (9%) are the areas most likely to be affected (Exhibit 32).

- **3Q26 survey data suggests GenAI production continues to scale**, with 96% of CIOs either operating AI/LLM projects in production or planning to deploy them. Of these, 43% already have projects in production, in line with 1Q26, while 36% expect to reach production within the next three to nine months, up from 33%. A further 17% anticipate reaching production in one year or more, down from 20%, while only 4% report no near-term adoption plans (Exhibit 35) .
- **Initial indications of the business units where Generative AI is most widely deployed suggest IT Operations (50%), Customer Service (42%), and Software Development (41%) are leading adoption today, followed by Supply Chain and Inventory Management (14%)** (Exhibit 36).
- **CIOs appear more likely to procure than build the capabilities required to meet their AI objectives**. Nearly two-thirds (64%) plan to rely primarily on preferred application/SaaS, AI-native, or LLM providers, compared with 17% that expect to build or develop capabilities using third-party software, enterprise platforms, or hyperscalers (Exhibit 38).
- From a vendor perspective, **CIOs expect Microsoft to gain the largest incremental share of GenAI spending in 2026 by a wide margin**, with a 30% share of valid vendor selections. **LLM providers** rank second at 16%, followed by **Google** (8%), **Salesforce** (7%), Amazon (7%), and **Databricks** and **ServiceNow** (6% each)(Exhibit 39). **Microsoft similarly leads on a three-year view** with a 28% share of valid vendor selections, followed by **LLM providers** (21%), **Amazon** (10%), **Google** (9%), **Salesforce** (6%), and **Databricks** (5%) (Exhibit 40). **IBM Red Hat** and **Dell** each registered approximately 1%, continuing to screen as GenAI spend laggards both in 2026 and on a 3-year view, inline with previous surveys.
- **Microsoft** (20%) is the vendor most widely expected to be leveraged for AI agent strategies, followed by **LLM providers** (14%), while **Salesforce** (8%), **Amazon** (7%), and **ServiceNow** (6%) similarly screen as beneficiaries of the agentic AI theme (Exhibit 41).

- **Open-weight models remain a limited component of AI workloads today but are expected to gain meaningful adoption**. Half of CIOs currently have no AI workloads running on open-weight models, a share expected to decline to 11% over the next three years. Conversely, **33% expect more than 20% of their AI workloads to run on open-weight models in three years**, up from just 8% today (Exhibit 43).
- **Visibility into returns on AI token spending remains limited, with 42% of CIOs not yet able to assess the value realized**. Across the full sample, 28% report ROI below token spend, compared with 17% seeing ROI in line with spend and 13% seeing ROI above spend. Among CIOs able to assess returns, **those reporting below-spend ROI exceed those reporting above-spend ROI** by a net 26 points (Exhibit 44).
- **CIOs are responding with tighter governance of AI token consumption**: 43% already have controls in place, while another 31% plan to implement controls by 2H27. The remaining 26% have no controls today and do not plan to implement them until 2028 (Exhibit 45). Among CIOs able to assess the likely impact of these measures, 34% expect token spending to continue growing at a slower rate, 25% expect spending to remain roughly flat, and 13% anticipate an absolute decline, while 28% believe it remains too early to quantify the impact (Exhibit 46).
- **Microsoft and LLM Providers lead CIO preferences for AI orchestration**. CIOs point to Microsoft (20% of responses) and LLM Providers (17%) as the leading choices for their AI control plane/orchestration layer, followed by Google and ServiceNow (5% each), Amazon and Salesforce (4% each), and Oracle and Snowflake (3% each) (Exhibit 42).

IT Hardware - Key Takeaways

- **Enterprise IT Hardware budget growth remains largely unchanged into 2027.** Our first look into 2027 overall spend trends show that CIOs expect Hardware budgets to grow +1.5% Y/Y in 2027, essentially unchanged from +1.5% in 2026 (-2bps Y/Y; Exhibit 48). Underlying the 1.5% growth Y/Y are US CIOs expecting Hardware growth to accelerate to +1.6% Y/Y from +1.4%, while EU CIOs expecting an ~80bps deceleration to +1.1% Y/Y (Exhibit 49). By company size, small and large enterprises expect modest acceleration, while mid-market CIOs expect a ~20bps deceleration to +1.3% Y/Y (Exhibit 50).
- **CIOs expect Storage, PCs and Servers to all accelerate in 2027, with Storage screening the strongest.** For 2027, CIOs expect Y/Y accelerations across all three categories, with growth expectations of +4.3% for Storage (+68bps Y/Y), +3.6% for PCs (+43bps) and +3.3% for Servers (+24bps) (Exhibit 53). Relative to our 2Q26 survey, CIOs revised (1) Storage spending growth expectations 60bps lower, (2) PCs 40bps higher, and (3) Servers 150bps lower for 2027 (Exhibit 54). We'd add that 2027 up-to-down ratios moderate for Storage (11.3x vs. 41.0x in 2026) and Servers (4.8x vs. 5.1x), while improving for PCs (8.4x vs. 7.2x) (Exhibit 55). Finally, we'd highlight CIOs still expect PC peripherals and Video Conferencing growth over NTM, but 70bps and 110bps lower at+2.0% and +1.6%, respectively, vs. our 1Q26 survey (Exhibit 70 , Exhibit 78).

- **Higher component prices, longer lead times and supply chain uncertainty are increasingly affecting Hardware purchasing behavior, with a meaningful amount of 2027 spend being pulled into 2026.** Storage Arrays, Traditional/GP Servers and PCs are priced +15%, +14% and +10% higher Y/Y, respectively, all higher than in our 1Q26 survey (Exhibit 79). In response, 83%/80%/75% of CIOs are making at least some adjustments to 2026 Storage/Server/PC spending (Exhibit 81), and 43%/40%/32% are explicitly pulling planned 2027 Server/Storage/PC spend into 2026 (Exhibit 82). With 75% of CIOs expecting PC budgets to flatten or decline by 2028, versus 72% for Servers and 68% for Storage, Storage still has the longest runway for growth (Exhibit 83).
- **Some evidence of AI as a tailwind to on-prem Hardware growing, particularly in all-flash Storage.** 59% of CIOs expect on-prem compute capacity needs to increase because of AI workloads over the NTM (Exhibit 84), while 69% expect higher all-flash Storage capacity needs (Exhibit 85). CIOs expect the on-prem/on-device share of AI inference to increase from 26% today to 29% over the next 12 months (Exhibit 86), but 43% of CIOs (vs. 40% in 3Q25) still expect to repatriate 9% of workloads on average (slightly below our 3Q25 survey last year at 10%), with 57% indicating no plans to repatriate for AI (Exhibit 87). The top reasons for repatriating workloads on-prem include security/privacy concerns, data sovereignty, and token costs. Separately, 13% of CIOs express extreme interest in purchasing an AI PC over the NTM to run more workloads locally, while 37% are slightly interested and 28% moderately interested (Exhibit 89). Overall, while CIOs expect more AI inference workloads to run on-prem/on-device over the NTM, limited workload repatriation suggests the tailwind to traditional on-prem Hardware spending from AI may remain relatively modest.

- **3-year Hardware vendor spending intentions uptick vs. 1Q26.** Average 3-year net spending intentions across hardware companies in our 3Q26 CIO Survey increased 4 points from 1Q26 to +16%, screening most positively for **EW-rated DELL** (+31%, up 4pts vs. 1Q26) and **OW-rated HPE** (+28%, up 9 pts vs. 1Q26) within our specific coverage universe (Exhibit 90). We believe this uptick is reflective, in part, of the fact that prices continue to increase across vendors (i.e. due to component cost inflation). **EW-rated TDC** rebounds notably to +6% from -23% in 1Q26, but growth still largely tepid, while IBM and HPQ both fall to +13%. **UW-rated LOGI** screens most at risk, as the only vendor with negative net spending intentions at -2%.

CIOs Expect 2027 Hardware Budget Growth In Line With 2026

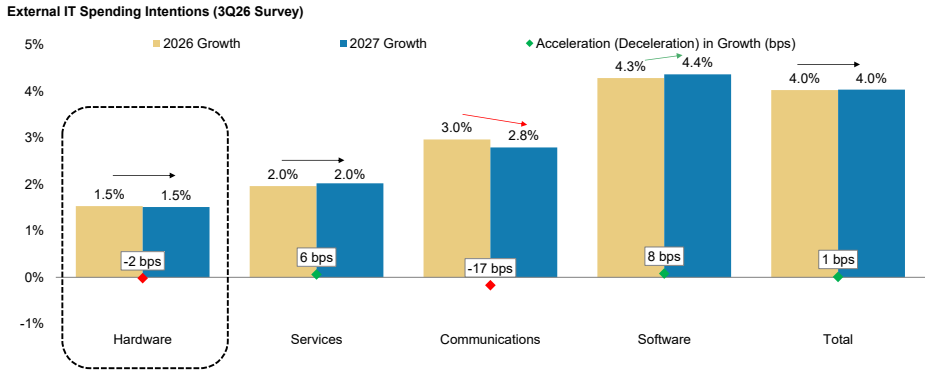
By what percentages did your External IT Spending change for each of the following technology areas in 2026 vs. 2025? What was your percentage (%) growth for the External IT Spending portion of your IT Budget for the full year 2026 vs. 2025? What is your estimated spending for 2027 vs. 2026?

Exhibit 47: Our 3Q26 survey shows that CIOs expect 2027 hardware spend to grow 1.5% Y/Y, in-line with 2026 hardware spend expectations.



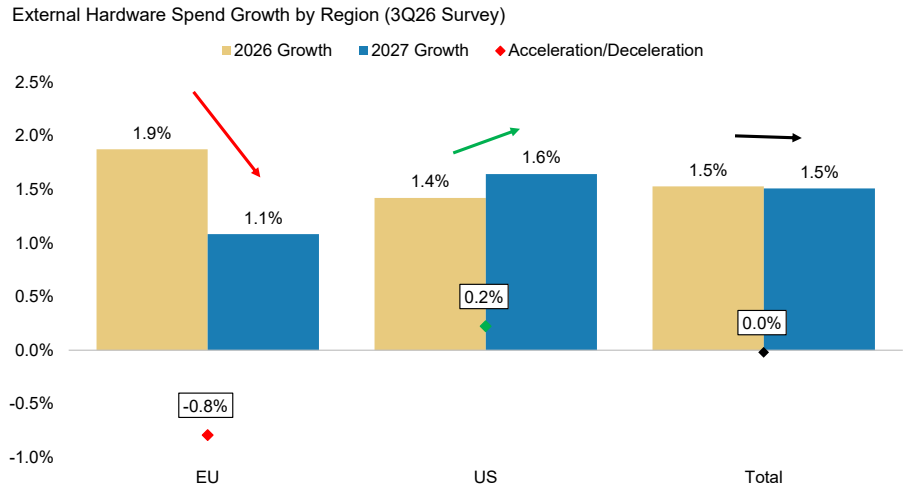
Source: AlphaWise, Morgan Stanley Research. n =100 (US and EU data)

Exhibit 48: In our 3Q26 CIO Survey, 2027 hardware budget growth is expected to be roughly in-line with 2026, -2bps Y/Y at 1.5% Y/Y (vs. 1.5% in 2026).



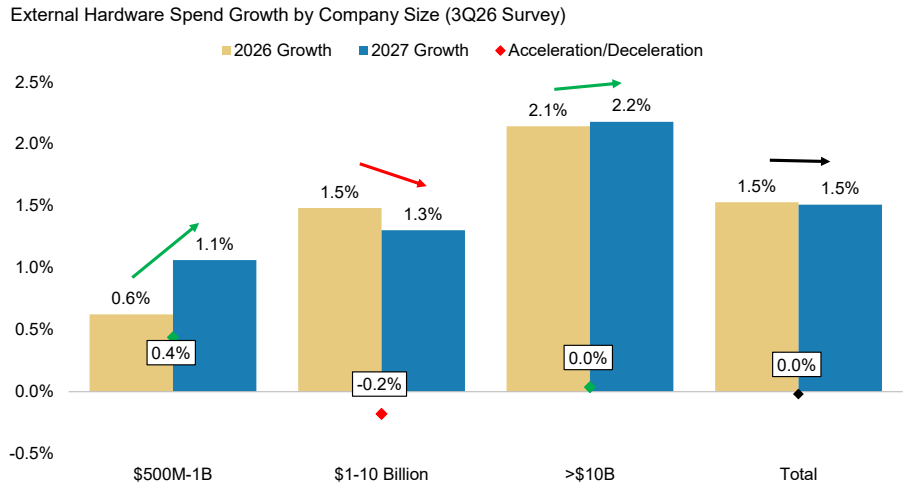
Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

Exhibit 49: However, US CIOs expect 2027 hardware budgets to grow 1.6% Y/Y, a 20bps acceleration from 2026, while CIOs in Europe expect their Hardware spend to decelerate 80bps Y/Y to 1.1% Y/Y.



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

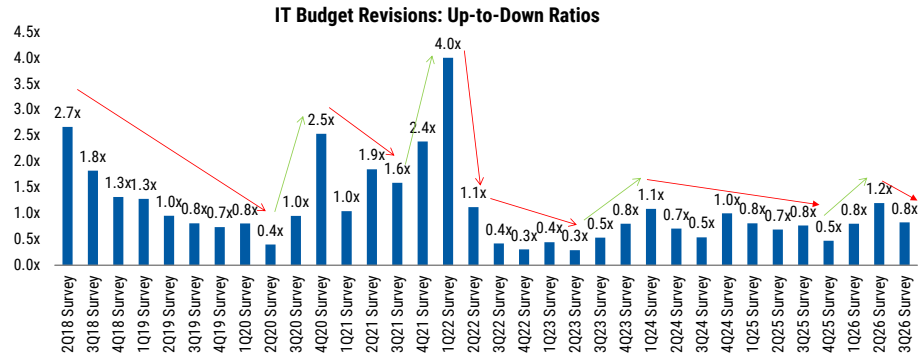
Exhibit 50: Medium enterprises ($1B - $10B in annual revenue) expect hardware budgets to decelerate to 1.3% by 2027, a 20bps deceleration from 2026, while small enterprises ($500M - $1B) and large enterprises ($10B+) expect hardware budgets to accelerate.



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

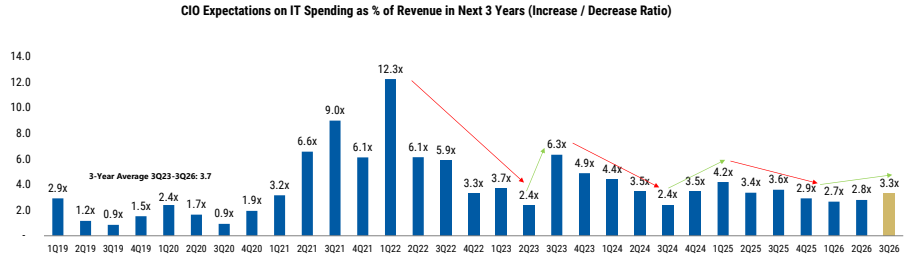
What are your expectations regarding potential future revisions to your current 2026 IT budget plans? Over the next three years, how do you expect IT spending as a % of total revenues to change within your organization?

Exhibit 51: In our 3Q26 survey, potential spend revisions to current 2026 IT budget plans decreased to 0.8x.



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

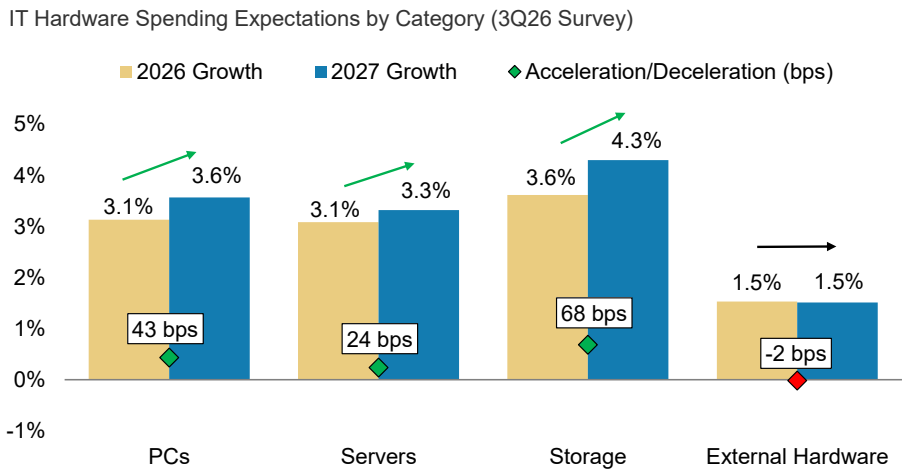
Exhibit 52: In 3Q26, CIO IT spending expectations as a percentage of revenue in the next 3 years increased to 3.3x from 2.8x in 2Q26.



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data).

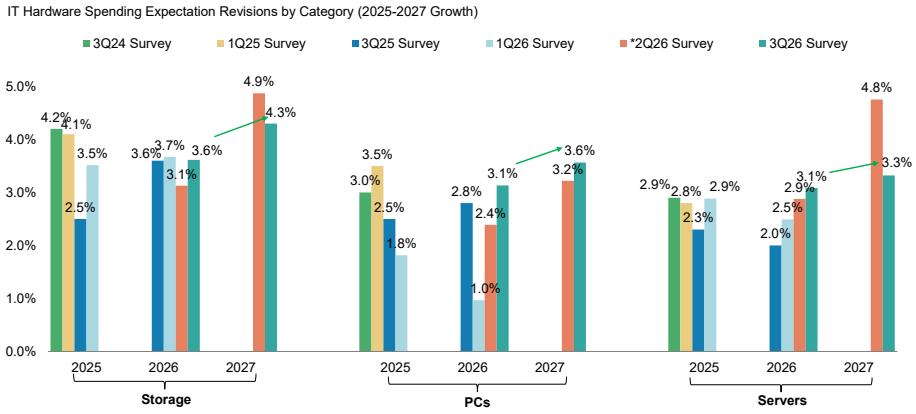
How fast did your server/storage/PC spend grow in 2026 relative to 2025? What are your expectations for server/storage/PC spend growth in 2027 relative to 2026?

Exhibit 53: Hardware domain experts expect storage, PC, and server spend growth to accelerate in 2027.



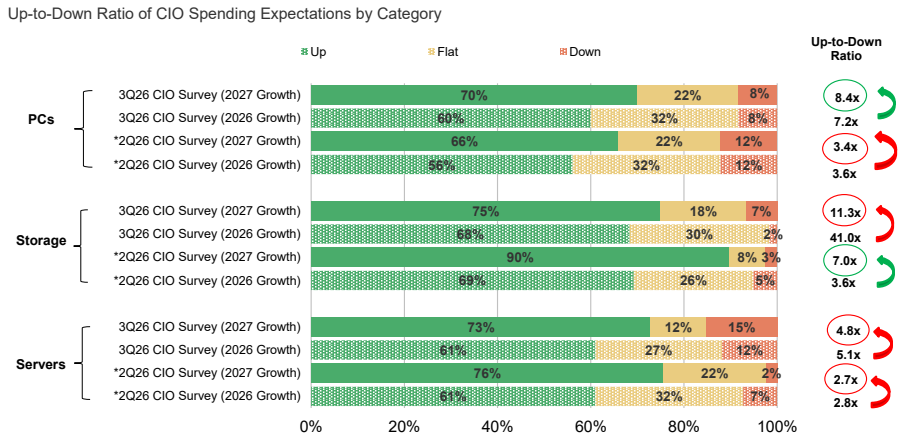
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

Exhibit 54: Out of all end-markets, storage is expected to see the steepest acceleration, followed by PCs then servers.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *2Q26 Survey refers to a flash survey we conducted in July.

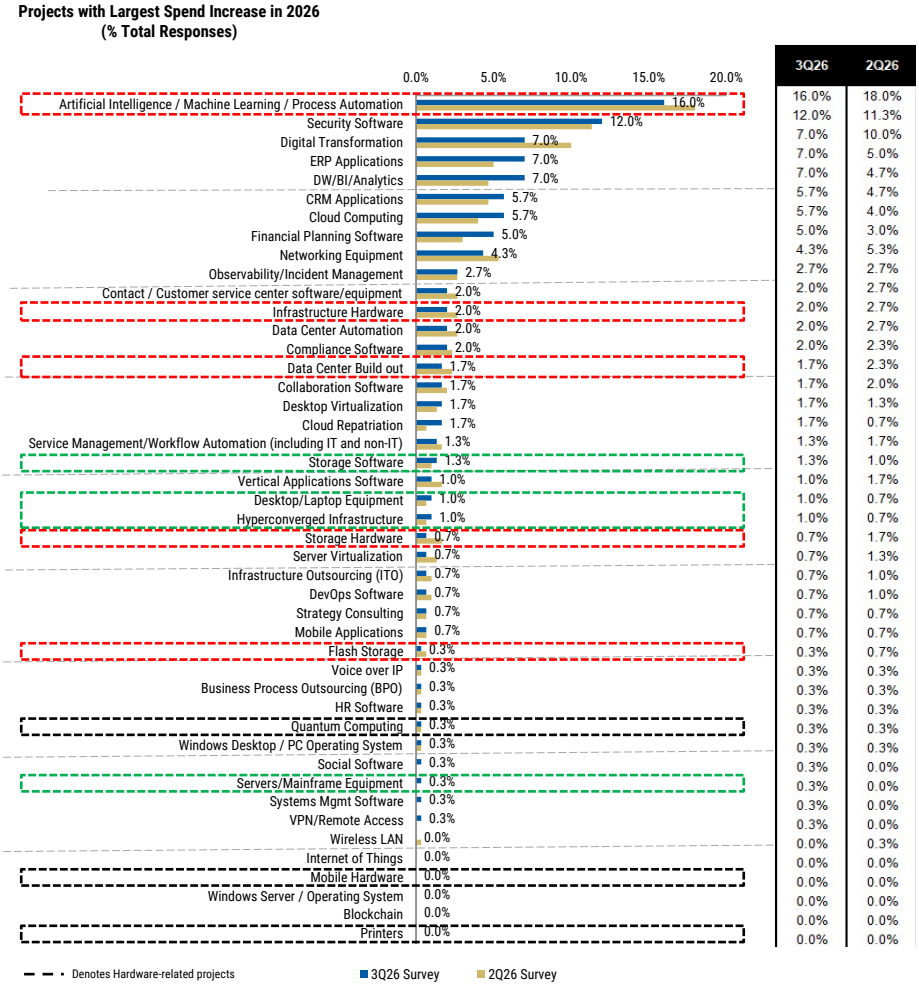
Exhibit 55: CIOs' 2027 spending up-to-down ratios have generally deteriorated, though PC 2027 up-to-down ratio is an improvement from 2026 levels.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *2Q26 Survey refers to a flash survey we conducted in July.

Which three External IT Spending projects will see the largest percentage increase/decrease in spending in 2026? If the economy worsens significantly in 2026, what spending project is most likely to get cut? What spending project is least likely to get cut?

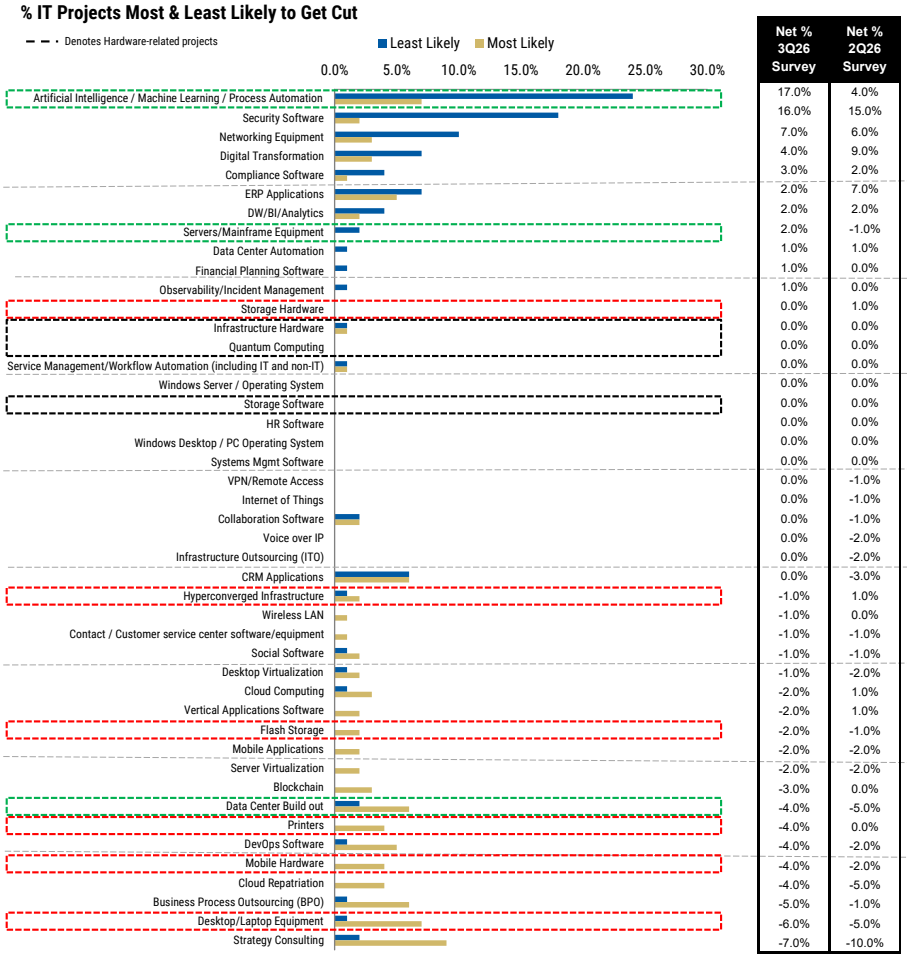
Exhibit 56: In our 3Q26 Survey, hardware related projects in Artificial Intelligence, Infrastructure Hardware, and Data Center Build-out downticked in priority, while Storage Software, Desktop/Laptop equipment, and Hyperconverged Infrastructure upticked in priority.



3Q26	2Q26
16.0%	18.0%
12.0%	11.3%
7.0%	10.0%
7.0%	5.0%
7.0%	4.7%
5.7%	4.7%
5.7%	4.0%
5.0%	3.0%
4.3%	5.3%
2.7%	2.7%
2.0%	2.7%
2.0%	2.7%
2.0%	2.7%
2.0%	2.3%
1.7%	2.3%
1.7%	2.0%
1.7%	1.3%
1.7%	0.7%
1.3%	1.7%
1.3%	1.0%
1.0%	1.7%
1.0%	0.7%
1.0%	0.7%
0.7%	1.7%
0.7%	1.3%
0.7%	1.0%
0.7%	1.0%
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0.3%	0.3%
0.3%	0.3%
0.3%	0.0%
0.3%	0.0%
0.3%	0.0%
0.3%	0.0%
0.0%	0.3%
0.0%	0.0%
0.0%	0.0%
0.0%	0.0%
0.0%	0.0%
0.0%	0.0%

Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

Exhibit 57: CIOs cite that desktop/laptop equipment, mobile hardware, printers, and data center build-out are some of the projects most likely to get cut if the economy worsens.



Net % 3Q26 Survey	Net % 2Q26 Survey
17.0%	4.0%
16.0%	15.0%
7.0%	6.0%
4.0%	9.0%
3.0%	2.0%
2.0%	7.0%
2.0%	2.0%
2.0%	-1.0%
1.0%	1.0%
1.0%	0.0%
1.0%	0.0%
0.0%	1.0%
0.0%	0.0%
0.0%	0.0%
0.0%	0.0%
0.0%	0.0%
0.0%	0.0%
0.0%	0.0%
0.0%	0.0%
0.0%	0.0%
0.0%	0.0%
0.0%	-1.0%
0.0%	-1.0%
0.0%	-1.0%
0.0%	-2.0%
0.0%	-2.0%
0.0%	-3.0%
-1.0%	1.0%
-1.0%	0.0%
-1.0%	-1.0%
-1.0%	-1.0%
-1.0%	-2.0%
-2.0%	1.0%
-2.0%	1.0%
-2.0%	-1.0%
-2.0%	-2.0%
-2.0%	-2.0%
-3.0%	0.0%
-4.0%	-5.0%
-4.0%	0.0%
-4.0%	-2.0%
-4.0%	-2.0%
-4.0%	-5.0%
-5.0%	-1.0%
-6.0%	-5.0%
-7.0%	-10.0%

Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

- **The first look at 2027 overall Hardware budgets shows CIOs expect Hardware budget growth to remain essentially in-line with 2026 at +1.5% Y/Y.** CIOs expect 2027 hardware budget growth of +1.5% Y/Y (-2bps Y/Y in 2027), versus +1bp for total IT budgets (Exhibit 48). We continue to be surprised by the lack of uplift in these results given record inflation.
- **US CIOs are seeing accelerating spend into 2027, while by company size, we're seeing mixed trends into 2027**. Geographically, US Hardware budgets are expected to accelerate to +1.6% from +1.4%, while EU budgets decelerate to +1.1% from +1.9% (Exhibit 49). By company size, small enterprises ($500M-$1B) expect growth to increase to +1.1% from +0.6%, mid-market enterprises ($1B-$10B) expect growth to decline to +1.3% from +1.5%, and large enterprises (>$10B) expect a modest uptick to +2.2% from +2.1% (Exhibit 50).
- **At the product level, Storage, PCs and Servers spending is expected to accelerate in 2027, with mixed revisions relative to our 2Q26 survey.** CIOs expect Storage growth to increase +68bps to +4.3%, PC growth +43bps to +3.6%, and Server growth +24bps to +3.3% (Exhibit 53), with Storage showing the

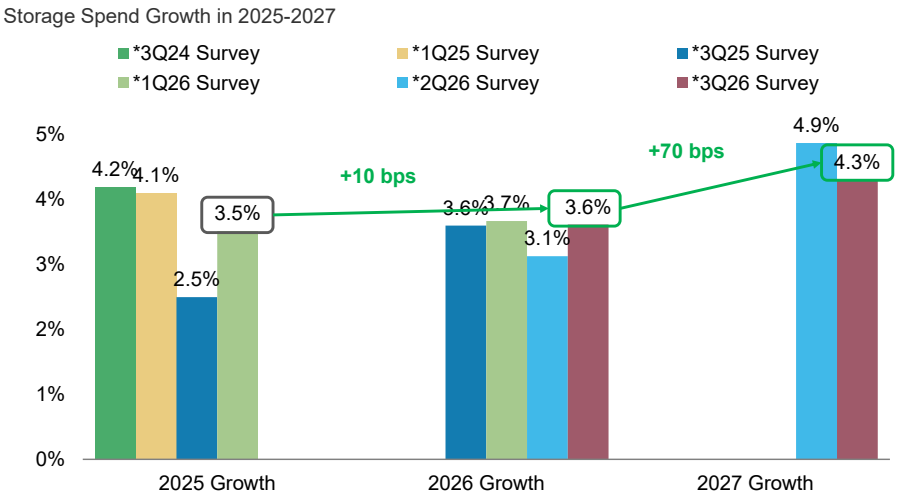
steepest acceleration (Exhibit 54). Relative to our 2Q26 survey, CIOs revised (1) Storage spending growth expectations 60bps lower, (2) PCs 40bps higher, and (3) Servers 150bps lower for 2027. Further, we'd highlight that the 2027 up-to-down ratio (*the % of respondents expecting to spend more divided by the % expecting to spend less*) remains well above 1x across all three categories, but moderates vs. 2026 for Storage (11.3x vs. 41.0x) and Servers (4.8x vs. 5.1x), while improving for PCs (8.4x vs. 7.2x) (Exhibit 55).

- **Hardware project prioritization remains mixed, while defensibility remains cautious across many traditional Hardware categories.** AI/ML remains the highest-priority Hardware-related project but falls to 16.0% from 18.0% in 2Q26, while Infrastructure Hardware and Data Center Build-out also decline; Storage Software, Desktop/Laptop Equipment and Hyperconverged Infrastructure improve modestly (Exhibit 56). On defensibility, Servers/Mainframe Equipment screens better than most traditional Hardware categories, while Desktop/Laptop Equipment, Mobile Hardware, Printers and Data Center Build-out remain among the projects most likely to get cut if the economy worsens (Exhibit 57).

Storage Spend to Accelerate the Most in 2027

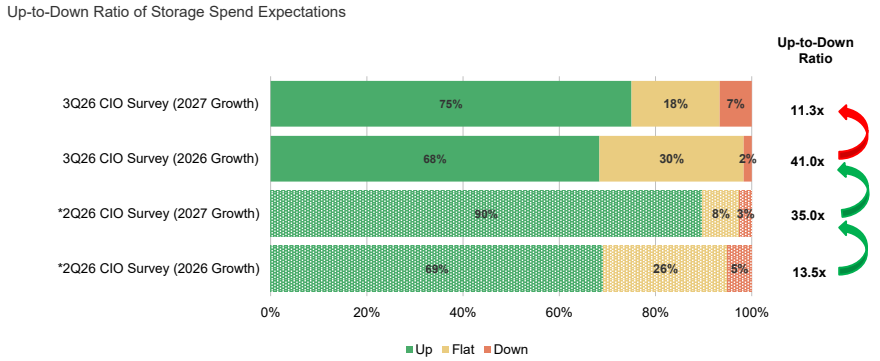
How fast is storage spend growing in 2026 relative to 2025? What are your expectations for storage spend growth in 2027 relative to 2026?

Exhibit 58: Storage spend is expected to grow 3.6% Y/Y in 2026, up 50bps from our 2Q26 survey, and is expected to grow 4.3% Y/Y in 2027, a 70bps acceleration from 2026.



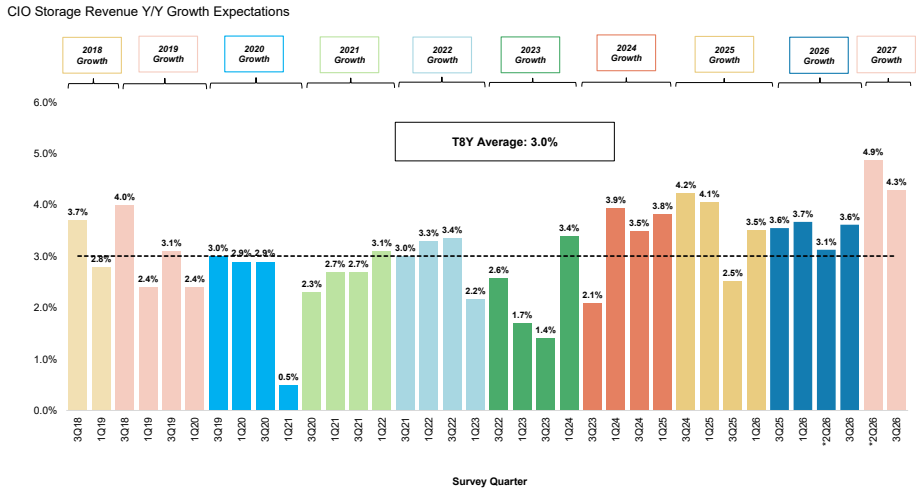
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data) *Please note that we changed our domain panel vendor during the first half of 2024, which means comparisons with prior domain surveys could face possible comparability issues. *2Q26 Survey refers to flash survey we conducted in July.

Exhibit 59: The storage up-to-down ratio decreased to 11.3x for 2027 from 41.0x for 2026 growth in our 3Q26 CIO Survey.



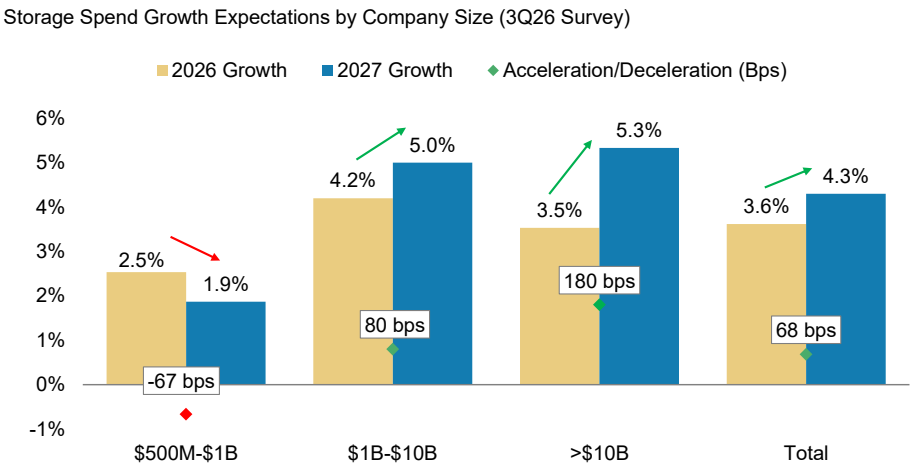
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *2Q26 Survey refers to a flash survey we conducted in July.

Exhibit 60: 2027 storage growth expectations in our 3Q26 survey is above its trailing 8 year average of 3.0% at 4.3% Y/Y, and 2026 growth expectations is 60bps above its historical average.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *2Q26 Survey refers to a flash survey we conducted in July.

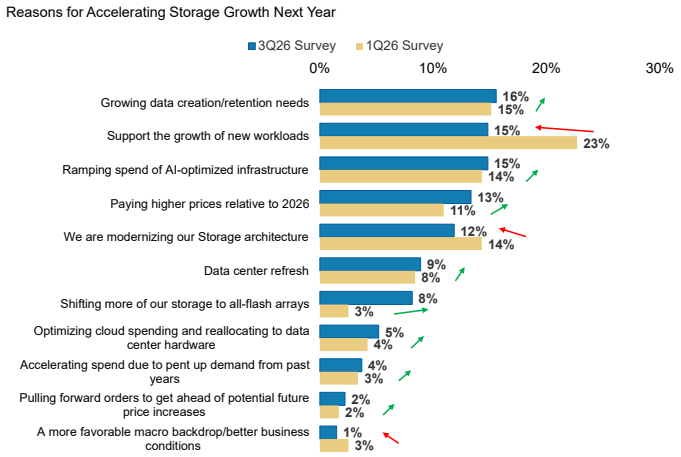
Exhibit 61: Enterprises above $1B of revenue expect storage spend growth to accelerate in 2027, while those with $500-1B expect a deceleration.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

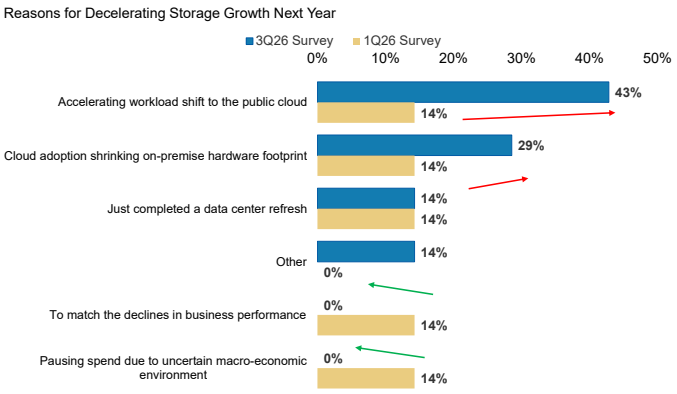
For what reasons are your expectations for Storage growth accelerating/decelerating in 2027?

Exhibit 62: 16% of the hardware experts expecting storage hardware growth to accelerate Y/Y in 2027 say it is for growing data creation/retention needs and 15% say it is to support the growth of new workloads.



Source: AlphaWise, Morgan Stanley Research. n = 45 (US and EU data)

Exhibit 63: 43% of hardware experts expecting storage hardware growth to decelerate Y/Y in 2027 say it is due to accelerating workload shift to the public cloud.



Source: AlphaWise, Morgan Stanley Research. n = 4 (US and EU data)

- **Storage remains the strongest Hardware end-market, with growth expected to accelerate further in 2027...** Hardware domain experts expect Storage spend to grow +3.6% Y/Y in 2026, up 50bps from our 2Q26 survey, and +4.3% Y/Y in 2027, a ~70bps acceleration (Exhibit 58). Both readings sit above the historical average of +3.0%, with 2027 growth ~130bps above that level (Exhibit 60). However, this 2027 growth expectation is a 60bps revision lower relative to our 2Q26 survey, and the 2027 up-to-down ratio declined to 11.3x from 41.0x for 2026, albeit still remaining very healthy (Exhibit 59).
- **...with acceleration expected in enterprises above $1B of revenue.** Mid-market CIOs ($1B-$10B) expect Storage growth to accelerate ~80bps to +5.0%, while

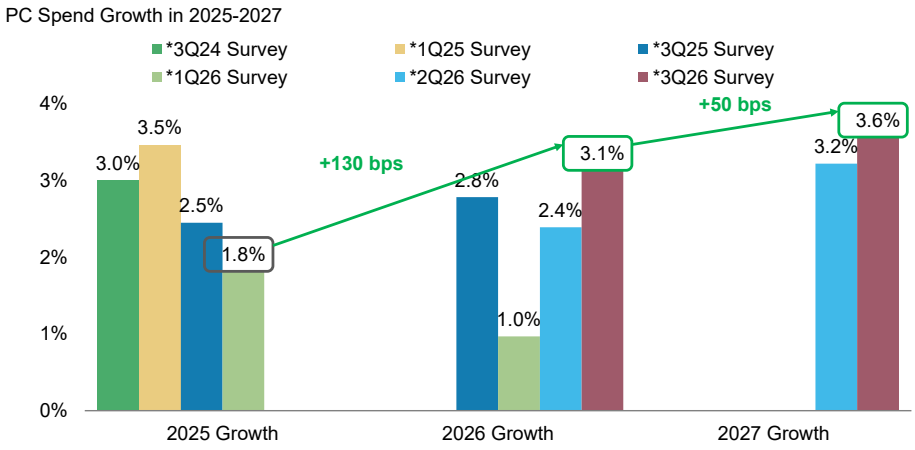
large enterprises (>$10B) expect a ~180bps acceleration to +5.3%. In contrast, smaller enterprises ($500M-$1B) expect growth to decelerate ~70bps to +1.9% (Exhibit 61).

- **Growing data creation, new workloads, and AI-optimized infrastructure are the leading drivers of accelerating Storage spend in 2027.** Among CIOs expecting Storage growth to accelerate in 2027, 16% cite growing data creation/retention needs, 15% cite support for new workloads, and 15% cite ramping spend on AI-optimized infrastructure, followed by higher prices at 13% (Exhibit 62). Conversely, among the few expecting Storage growth to decelerate in 2027, 43% cite accelerating workload migration to the public cloud and 29% cite cloud adoption shrinking the on-premise Hardware footprint (Exhibit 63).

Surprisingly, PC Spend Is Expected To Accelerate Further in 2027, Albeit With Decelerating PC Peripherals Spend

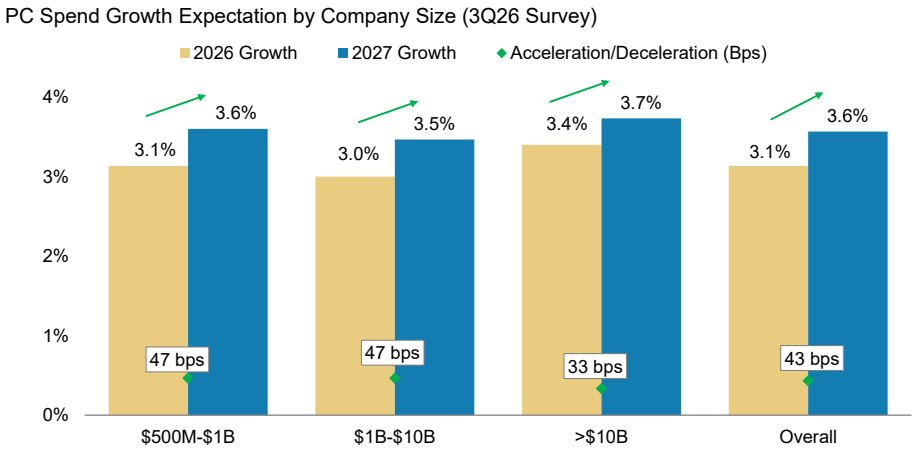
How fast is PC spend growing in 2026 relative to 2025? What are your expectations for PC spend growth in 2027 relative to 2026?

Exhibit 64: 2026 PC spend growth expectations increased by 70bps in our 3Q26 CIO survey from our 2Q26 survey, and CIOs also expect PC spend in 2027 to accelerate by 50bps to 3.6%.



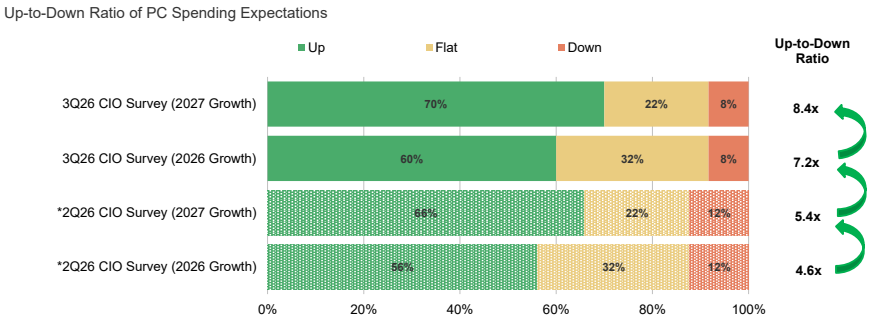
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data), Morgan Stanley Research. *Please note that we changed our domain panel vendor during the first half of 2024, which means comparisons with prior domain surveys could face possible comparability issues. *2Q26 Survey refers to a flash survey we conducted in July.

Exhibit 65: CIOs of all company sizes expect an acceleration in 2027, with small to medium size enterprises ($500M to $10B) expecting the largest acceleration (47bps higher Y/Y).



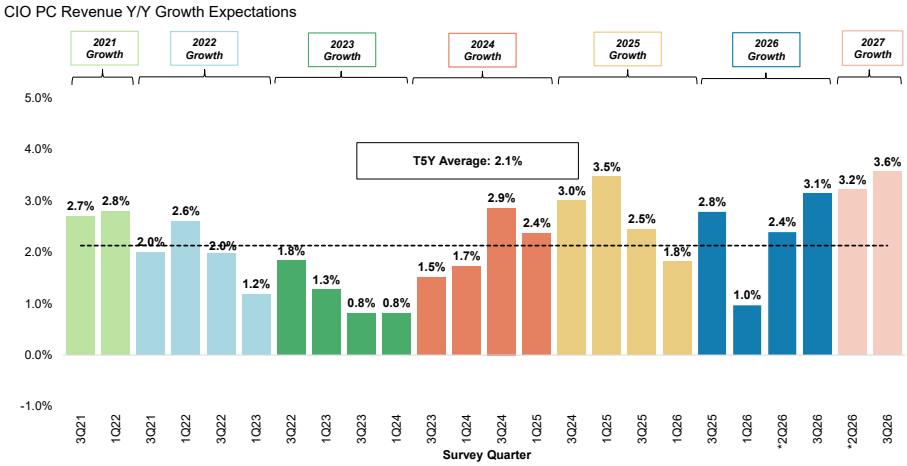
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data).

Exhibit 66: The PC up-to-down ratio increased to 8.4x in 2027 in our 3Q26 survey and 7.2x in 2026.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *2Q26 Survey refers to a flash survey we conducted in July.

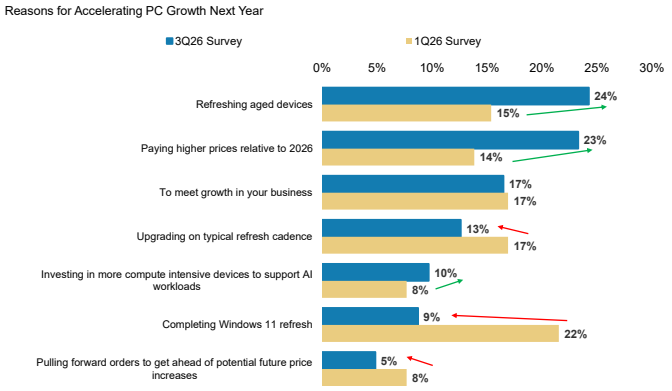
Exhibit 67: 2026 and 2027 PC growth expectations in 3Q26 are above the trailing 5 year average of 2.1%.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data).*2Q26 Survey refers to a flash survey we conducted in July.

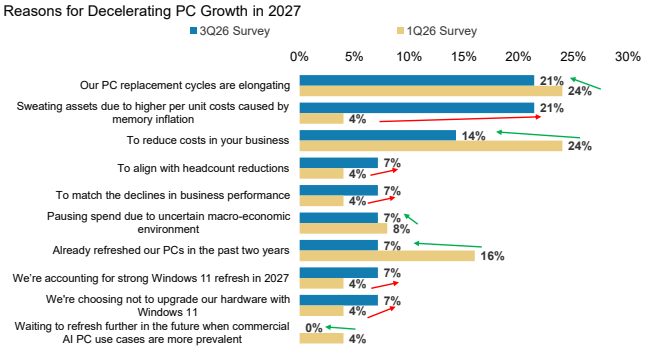
For what reasons are your expectations for PC growth accelerating/decelerating in 2027?

Exhibit 68: 24% of CIOs that expect accelerating PC growth in 2027 say it is to refresh aged devices, 23% say it is to pay higher prices relative to last year, and 17% say it is to meet growth in their business.



Source: AlphaWise, Morgan Stanley Research. n=42 (US and EU data)

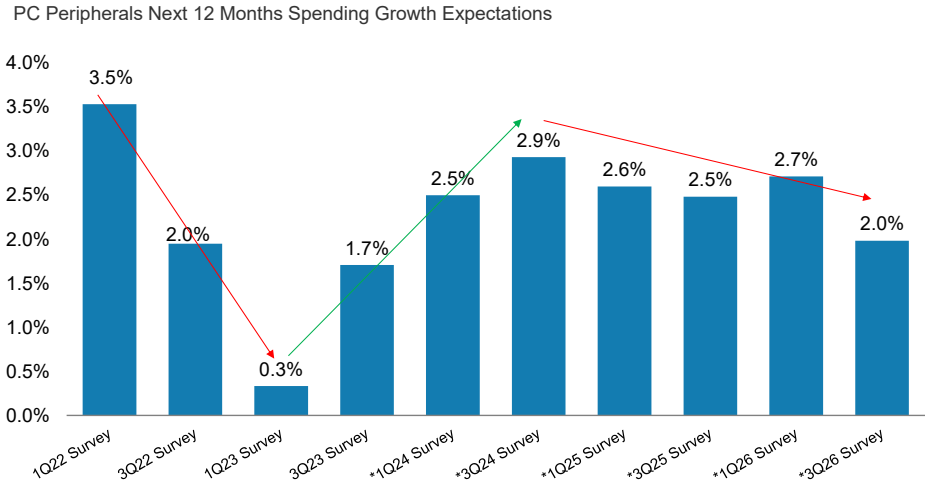
Exhibit 69: 21% of hardware experts expecting decelerating PC growth in 2027 cite PC replacement cycles elongating, 21% say it is because they are sweating assets due to higher per unit costs, and 14% say it is to reduce costs in their business.



Source: AlphaWise, Morgan Stanley Research. n=5 (US and EU data)

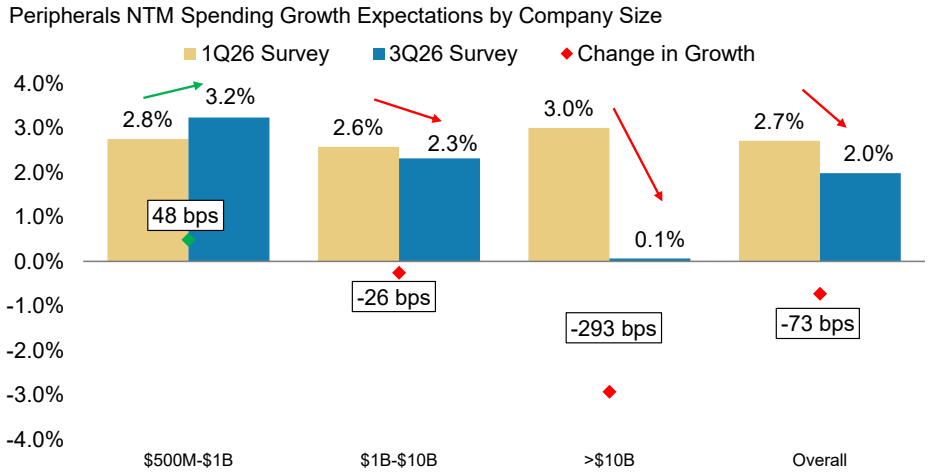
Over the next 12 months, how do you expect your spend on PC peripherals (such as mice, keyboards, webcams, etc.) to change?

Exhibit 70: Hardware experts expect PC peripherals spending to grow 2.0% Y/Y in the next 12 months, a ~70bps deceleration from our 1Q26 Survey.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data).

Exhibit 71: CIOs of smaller enterprises ($500M-$1B) expect PC Peripherals to grow 3.2% Y/Y in the N12M, up 48bps from our 1Q26 survey, while CIOs of large enterprises ($10B+) expect growth to decelerate 293bps to 0.1% Y/Y.



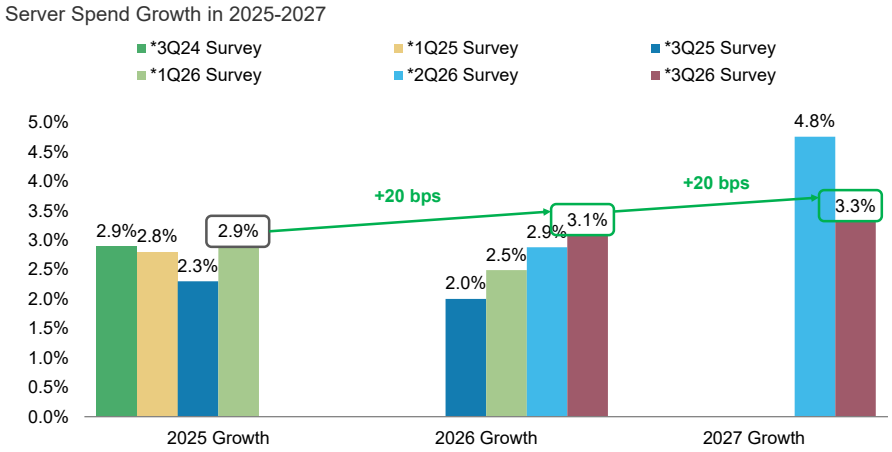
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data).

- **PC spending growth has accelerated in 2026 but CIO's expect it to accelerate again in 2027.** Hardware domain experts expect PC spend to grow +3.1% Y/Y in 2026, up ~70bps from our 2Q26 survey and ~130bps from the current 2025 growth estimate of +1.8%, before accelerating another ~50bps to +3.6% in 2027 (Exhibit 64). Further, hardware domain experts revised 2027 PC spending growth expectations 40bps higher relative to our 2Q26 survey. Both the 2026 and 2027 readings are above the historical trailing 5-year average of +2.1% (Exhibit 67). Furthermore, the up-to-down ratio rises to 8.4x for 2027 from 7.2x for 2026, with 70% of CIOs expecting PC spend to increase versus 8% expecting a decline (Exhibit 66). This was a surprising result for us given the worsening trend we are seeing overall in the PC market.
- **...with the largest expected acceleration among small and mid-sized enterprises.** CIOs at companies with $500M-$1B and $1B-$10B in annual revenue expect PC spending growth to increase by 47bps Y/Y to +3.6% and +3.5%, respectively, while large enterprises (>$10B) expect a more modest 33bps acceleration to +3.7%. Overall, CIOs expect PC spending growth to accelerate 43bps Y/Y to +3.6% in 2027 (Exhibit 65).
- **Aged-device refresh and higher prices are the top catalysts for 2027 PC growth, while higher unit costs also contribute to deceleration for a subset of CIOs.** Among CIOs expecting PC growth to accelerate, 24% cite refreshing aged devices, 23% cite higher prices versus 2026, and 17% cite business growth (Exhibit 68). Among the few expecting a deceleration, 21% cite elongating replacement cycles, 21% cite sweating assets due to higher per-unit costs from memory inflation, and 14% cite cost reduction (Exhibit 69).
- **PC peripherals are decoupling from the stronger PC trend.** CIOs expect NTM PC peripherals spend to grow +2.0% Y/Y, down ~70bps from our 1Q26 survey (Exhibit 70). By company size, small enterprises expect +3.2% growth (+48bps vs. 1Q26), mid-market enterprises +2.3% (-26bps), and large enterprises just +0.1% (-293bps), driving the overall deceleration (Exhibit 71).

Server Spending Is Also Expected to Accelerate in 2027

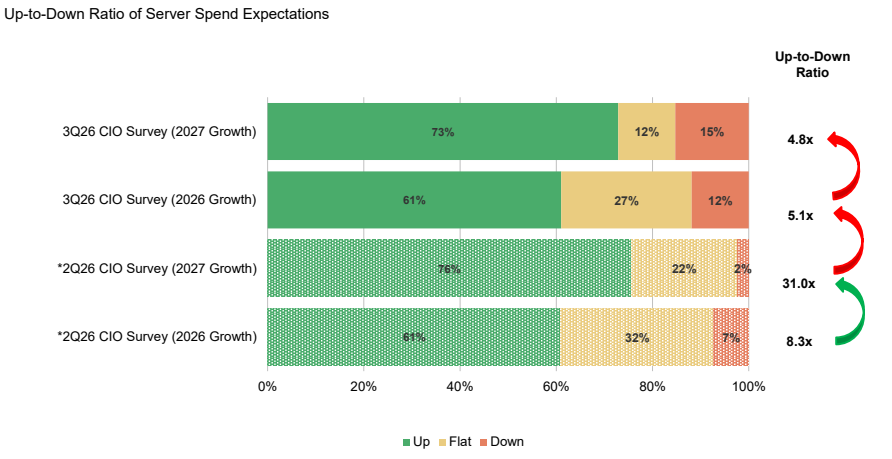
How fast is server spend growing in 2026 relative to 2025? What are your expectations for server spend growth in 2027 relative to 2026?

Exhibit 72: Hardware experts expect server spend to grow 3.1% Y/Y in 2026, up 20bps from our 2Q26 survey, and grow 3.3% Y/Y in 2027.



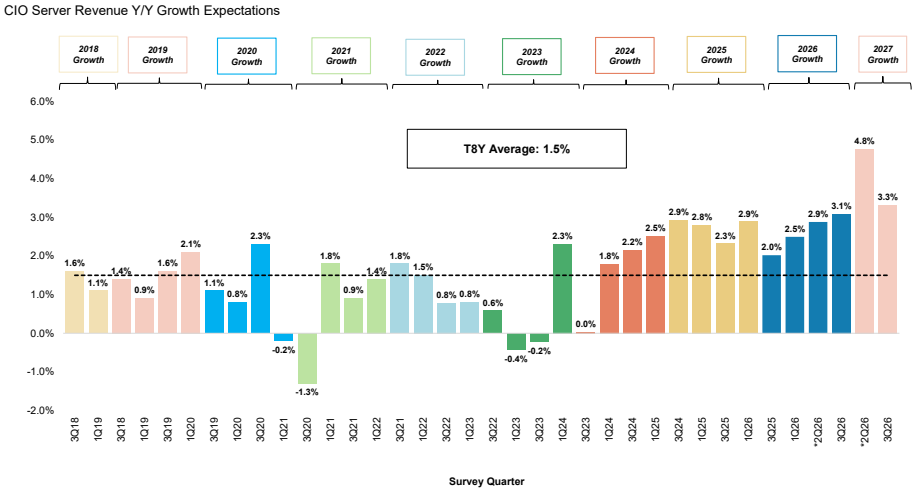
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). Morgan Stanley Research. *Please note that we changed our domain panel vendor during the first half of 2024, which means comparisons with prior domain surveys could face possible comparability issues. *2Q26 Survey refers to a flash survey we conducted in July.

Exhibit 73: The server up-to-down ratio decreased to 4.8x for 2027 from 5.1x in 2026, per our 3Q26 CIO Survey.



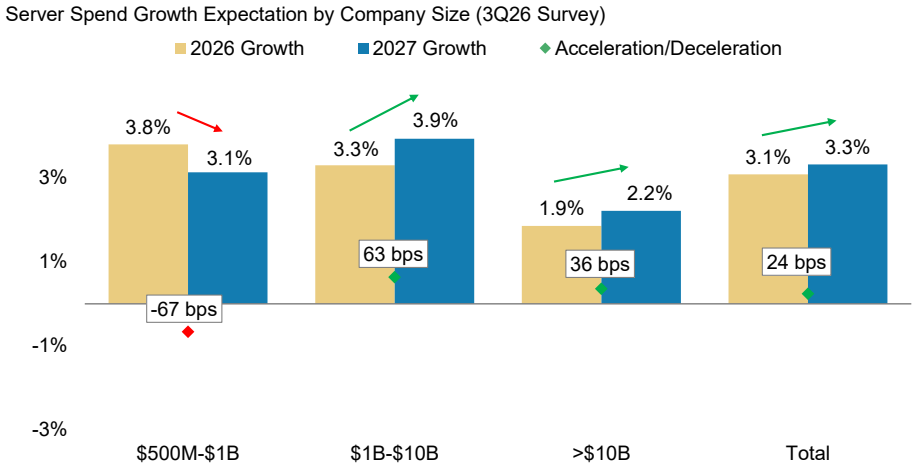
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *2Q26 Survey refers to a flash survey we conducted in July.

Exhibit 74: 2026 and 2027 server growth expectations in our 3Q26 survey are well above the trailing 8 year average of 1.5% at 3.1% and 3.3% Y/Y, respectively.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *2Q26 Survey refers to a flash survey we conducted in July.

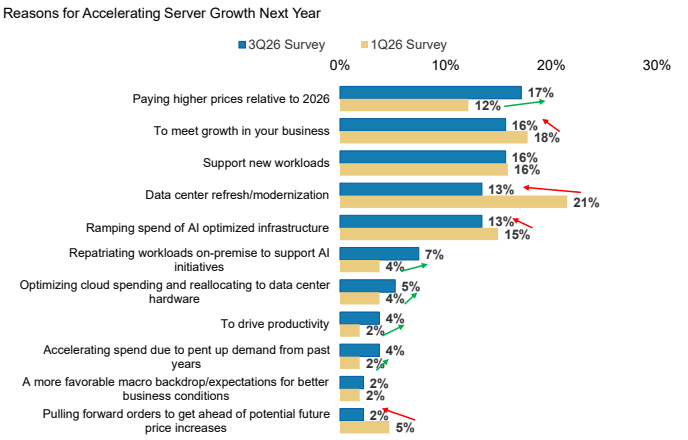
Exhibit 75: Medium ($1B-$10B) and Large enterprises ($10B+) expect server spend to accelerate by 63bps and 36bps, respectively, while small ($500M - $1B) enterprises expect server spend to decelerate by 67bps.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data).

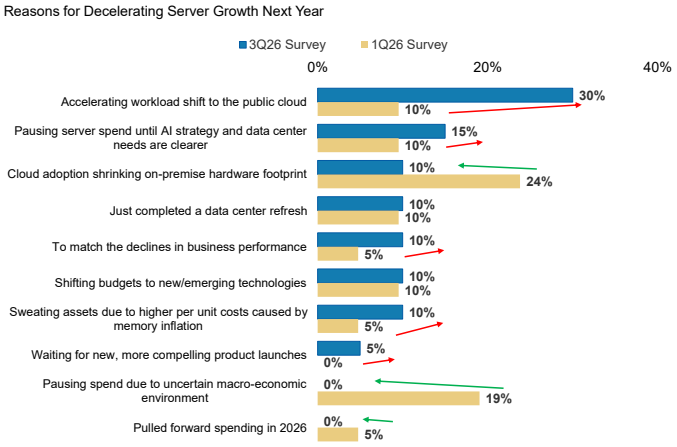
For what reasons are your expectations for Server growth accelerating/decelerating in 2027?

Exhibit 76: 17% of CIOs that expect server growth to accelerate in 2027 say it is because of higher prices relative to 2026, 16% say it is to meet growth in their business, and 16% say it is to support new workloads.



Source: AlphaWise, Morgan Stanley Research. n=45 (US and EU data).

Exhibit 77: 30% of CIOs that expect server growth to decelerate in 2027 say that they anticipate accelerating workload shift to the public cloud.



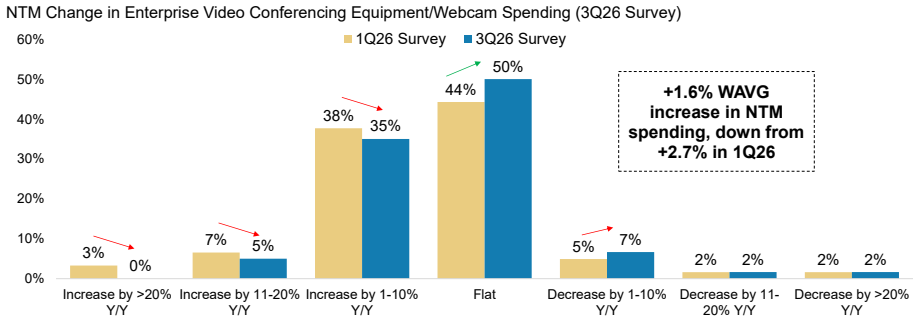
Source: AlphaWise, Morgan Stanley Research. n=9 (US and EU data)

- **Server growth expected to accelerate into 2027.** Hardware domain experts expect Server spend to grow +3.1% Y/Y in 2026, up 20bps from our 2Q26 survey, and +3.3% in 2027 (Exhibit 72). However, hardware domain experts revised 2027 Server growth expectations 150bps lower relative to our 2Q26 survey. The up-to-down ratio remains healthy at 4.8x for 2027, albeit slightly below 5.1x for 2026 (Exhibit 73). By company size, mid-size ($1B-$10B) and large enterprises ($10B+) expect server growth to accelerate in 2027, while small businesses ($500M-$1B) expect a deceleration Y/Y.
- **2027 Server growth expectations remain well above the trailing 8-year average.** CIOs expect Server spending growth to accelerate to 3.3% Y/Y in 2027 from 3.1% Y/Y in 2026, more than double the trailing 8-year average of 1.5% Y/Y (Exhibit 74).
- **Higher prices, business growth, and new workloads are the top reasons for Server acceleration in 2027.** Among CIOs expecting 2027 Server growth to accelerate, 17% cite higher prices, 16% cite business growth and 16% cite support for new workloads, followed by Data Center refresh and AI-optimized infrastructure at 13% each (Exhibit 76). Among those expecting deceleration, 30% cite accelerating workload shift to the public cloud and 15% cite pausing spend until AI strategy and Data Center needs are clearer (Exhibit 77).

NTM Video Conferencing Growth Still Expected, But More Modest

Over the next 12 months, how do you expect your total spending on enterprise video conferencing equipment and webcams to change?

Exhibit 78: Hardware experts expect video conferencing equipment NTM spend to increase by 1.6% on average, down from 2.7% in our 1Q26 survey, half expecting spend to be flat.



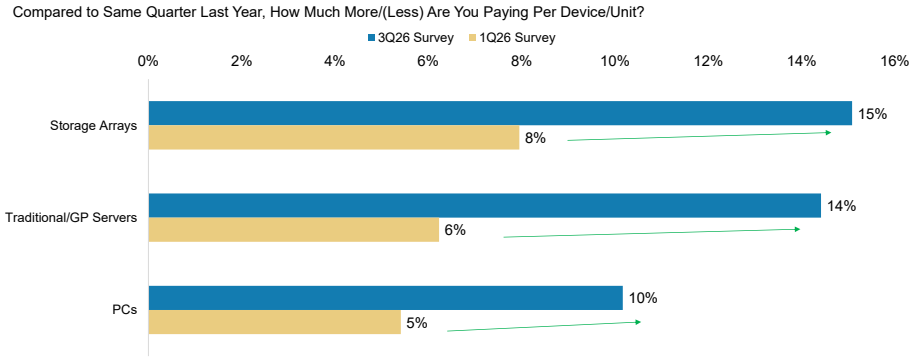
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data).

- **NTM Video Conferencing spend is still expected to grow, but at a more modest pace.** Hardware experts expect Video Conferencing equipment/webcam spend to increase +1.6% on average over the next 12 months, down from +2.7% in 1Q26. Half of CIOs expect spend to remain flat, while ~40% expect an increase and ~11% expect a decline (Exhibit 78).

Higher Component Prices, Longer Lead Times, and Supply Chain Uncertainty Are Driving Hardware Budget Changes, Including Pull-Forward

Compared to the same quarter last year, on average, how much more or less are you paying per device (or per unit) for your PCs, servers, and storage arrays (include their associated services/maintenance and software packages)?

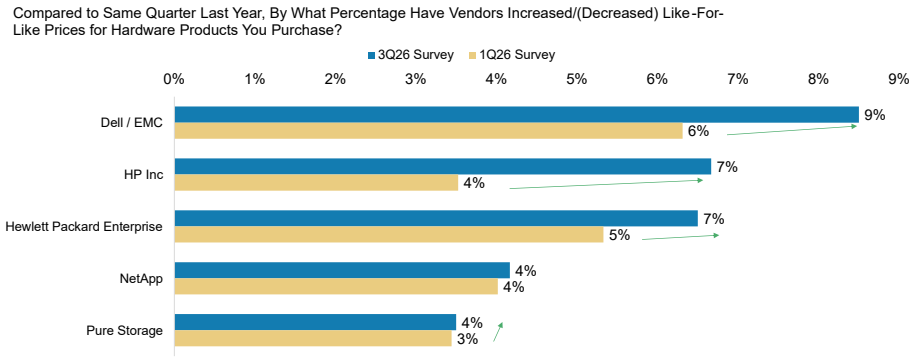
Exhibit 79: Across all product categories, prices are higher Y/Y and the magnitude of the increases are higher compared to our 1Q26 survey, led by storage Arrays at 15% higher Y/Y.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

Compared to the same quarter last year, by what percentage, on average, have the following hardware vendors adjusted like-for-like prices for their hardware products you buy from them?

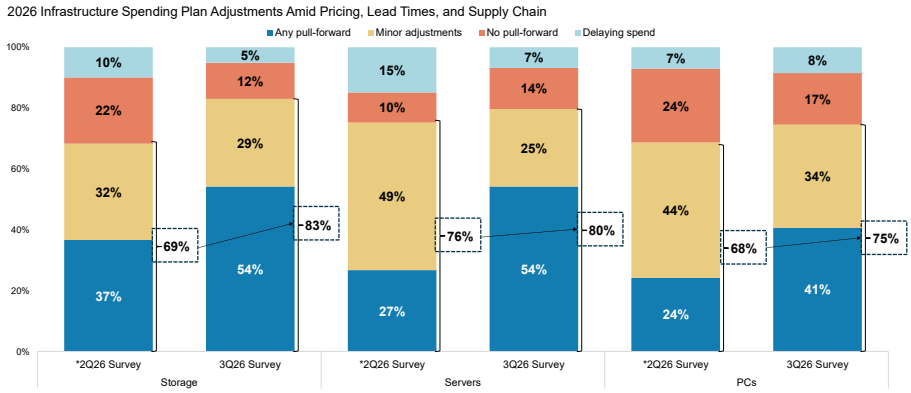
Exhibit 80: All five vendors have increased like-for-like prices for hardware products compared to 3Q last year, led by Dell / EMC at 9%.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

Given concerns about higher device prices, longer lead times, and supply chain uncertainty, how would you characterize your organization's 2026 Server / PC / Storage spending plans?

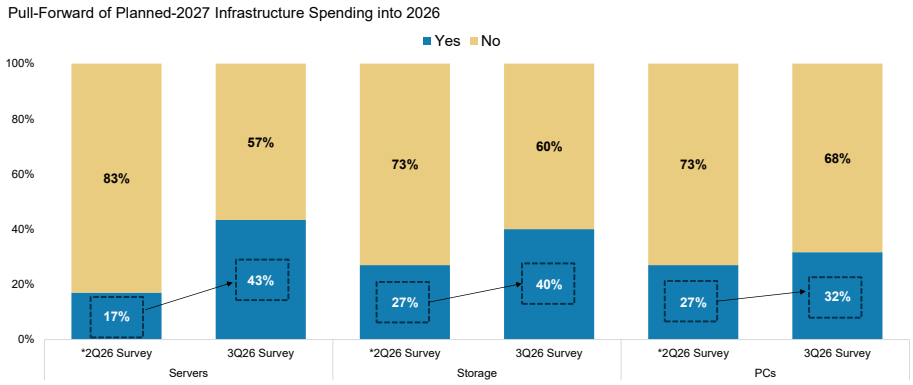
Exhibit 81: As a result of higher prices, longer lead times, and supply chain uncertainty, 83% of CIOs are making at least some adjustments (including pull-forward) to 2026 Storage spending, while 80% are for Servers, followed by 75% for PCs, all higher than our 2Q26 survey.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *2Q26 Survey refers to a flash survey we conducted in July.

Is your organization pulling any planned 2027 Server / PC / Storage spending into 2026?

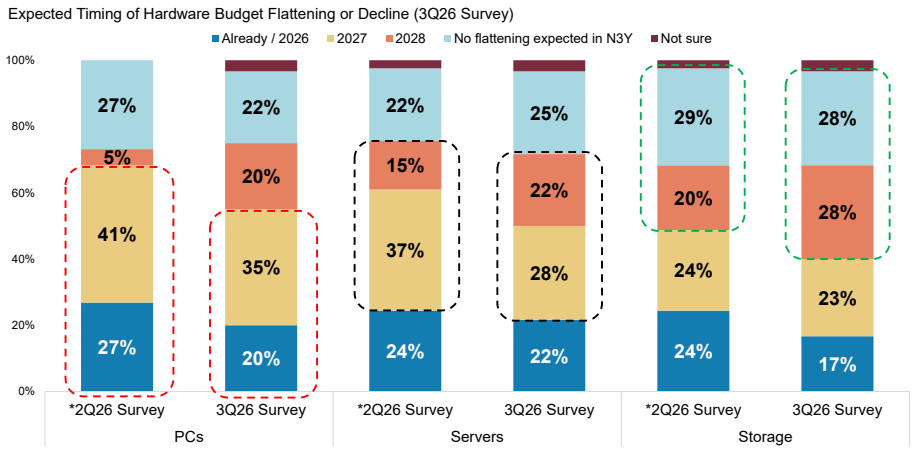
Exhibit 82: The percentage of CIOs pulling planned 2027 spending forward into 2026 increased to 43% for Servers, 40% for Storage, and 32% for PCs, from 17%, 27%, and 27%, respectively, from our 2Q26 survey.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *2Q26 Survey refers to a flash survey we conducted in July.

To the best of your knowledge, when do you first expect your organization's Server / PC / Storage budget to stop growing year-over-year (i.e., flatten or decline versus the prior year)?

Exhibit 83: 75% of CIOs expect PC budgets to flatten or decline by 2028, vs. 72% for Servers and 68% for Storage. In other words, storage has the longest runway for growth, followed by servers and lastly PCs.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *2Q26 Survey refers to a flash survey we conducted in July.

- **Hardware pricing inflation has accelerated materially across categories and vendors.** CIOs report paying +15% Y/Y for Storage Arrays, +14% for Traditional/GP Servers and +10% for PCs in 3Q26, which are all roughly double compared to the Y/Y increases of +8%, +6% and +5%, respectively, from our 1Q26 survey (Exhibit 79). Like-for-like vendor pricing is also higher across all five vendors, led by DELL/EMC at +9%, followed by HP Inc. and HPE at +7% each, with NetApp and Pure Storage at +4% (Exhibit 80).
- **Higher prices, longer lead times and supply chain uncertainty are driving more widespread spending-plan adjustments and pull-forward.** 83% of CIOs are making at least some adjustments to 2026 Storage spend, versus 80% for Servers

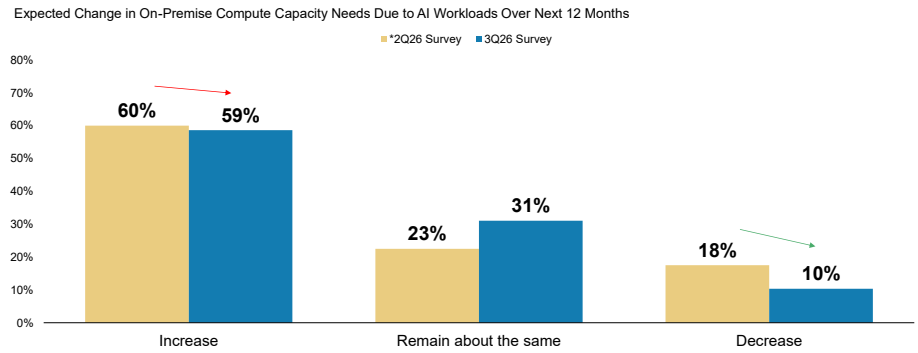
and 75% for PCs as a result of higher prices, longer lead times, and supply chain uncertainty, all higher than in 2Q26 (Exhibit 81). Explicit pull-forward of planned 2027 spend into 2026 rose sharply to 43% of CIOs for Servers, 40% for Storage and 32% for PCs, up from 17%, 27% and 27%, respectively, in 2Q26 (Exhibit 82).

- **PC growth is expected to flatten first and Storage last.** 75% of CIOs expect PC budgets to flatten or decline by 2028, versus 72% for Servers and 68% for Storage (Exhibit 83). Said differently, Storage continues to screen as the Hardware category with the longest expected growth runway.

On-Prem Compute and All-Flash Storage Capacity Needs to Increase Over The Next 12 Months Due to AI

Over the next 12 months, how do you expect your organization's on-premise compute capacity needs (i.e., server capacity / installed base) to change, if at all, as a result of AI-related workloads (e.g., AI token consumption, small language models, agentic AI applications, AI inference, and AI training)?

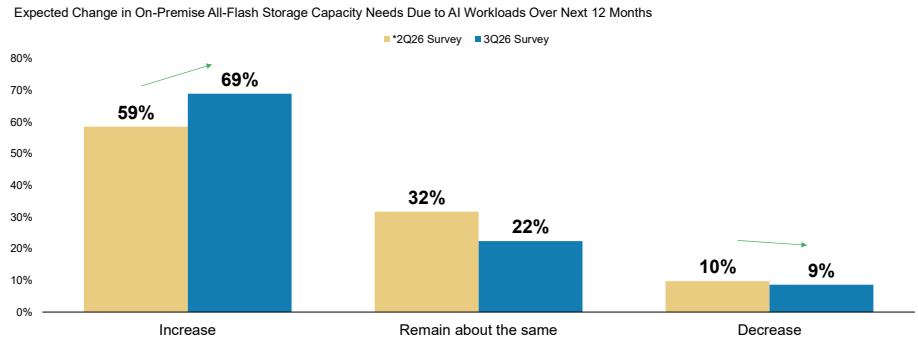
Exhibit 84: 59% of CIOs expect on-premise compute capacity needs to increase due to AI workloads over the NTM, vs. 60% from our 2Q26 survey.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *2Q26 Survey refers to a flash survey we conducted in July.

Over the next 12 months, how do you expect your organization's demand for on-premise all-flash storage capacity needs (i.e., storage capacity / array installed base) to change, if at all, as a result of AI-related workloads (e.g., AI token consumption, small language models, agentic AI applications, AI inference, and AI training)?

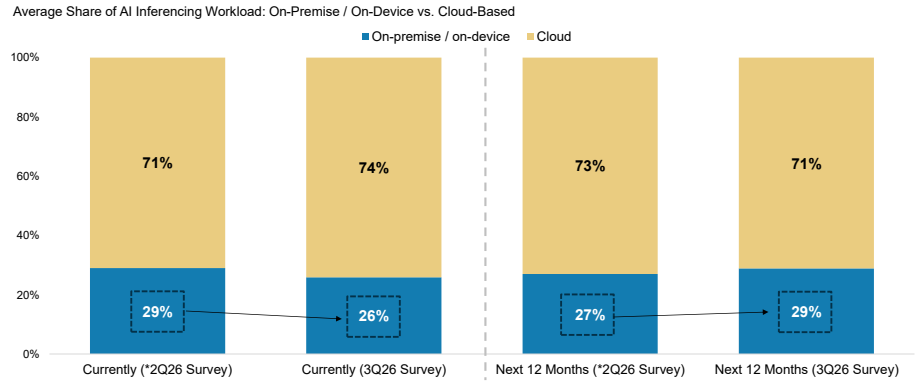
Exhibit 85: 69% of CIOs expect on-premise all-flash storage capacity needs to increase due to AI workloads over the NTM, vs. 59% from our 2Q26 survey.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *2Q26 Survey refers to a flash survey we conducted in July.

Approximately what percentage of your organization's AI inferencing workloads (including agentic AI applications) currently run on-premise/on-device versus in the cloud? And how do you expect that share to change over the next 12 months?

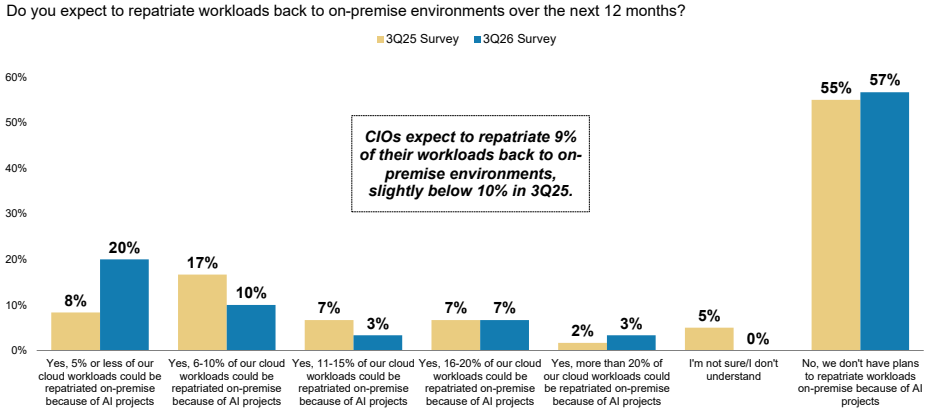
Exhibit 86: CIOs expect the average share of AI inferencing workloads residing on-premise/on-device to increase to 29% in the NTM from 26% currently.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *2Q26 Survey refers to a flash survey we conducted in July.

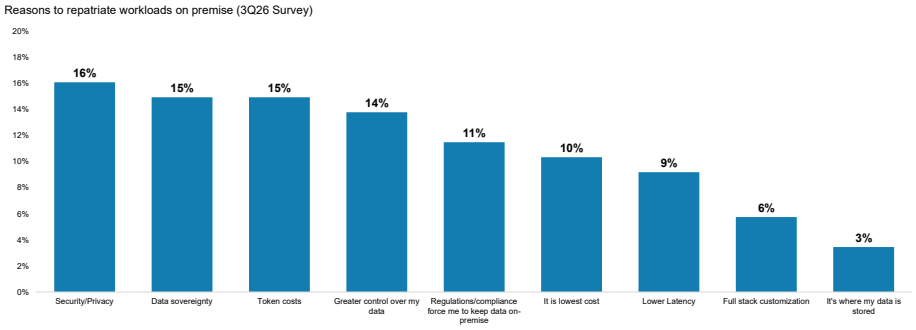
As you consider your needs and usage for/of GenAI technologies, do you expect to repatriate workloads back to on-premise environments over the next 12 months? If yes, approximately what percent of workloads could you repatriate on-premise?

Exhibit 87: 43% of CIOs expect to repatriate an average of 9% of their workloads back to on-premise environments due to GenAI, vs. 40% of CIOs and 10% of workloads from our 3Q25 survey.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

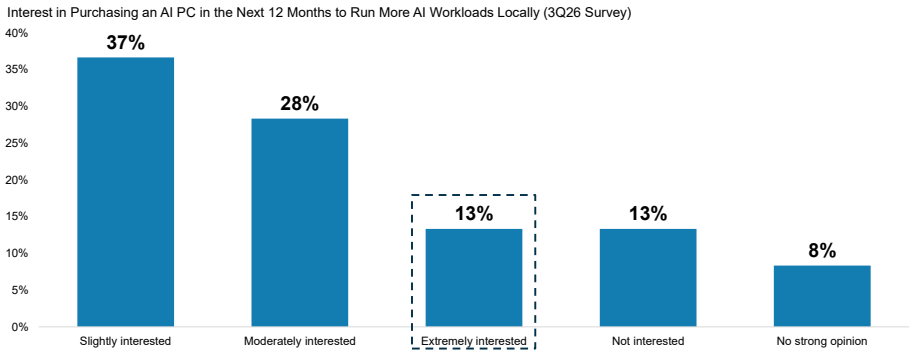
Exhibit 88: CIOs cite security/privacy, data sovereignty and token costs as reasons to repatriate AI workloads on-prem.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data).

How interested are you in purchasing an AI PC in the next 12 months for the specific reason of running more AI workloads locally to either take advantage of more powerful PCs that have come to market and/or save on token costs?

Exhibit 89: 13% of CIOs are extremely interested in purchasing an AI PC in the NTM to run more AI workloads locally, while 37% are slightly interested and 28% moderately interested.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data).

- **AI workloads continue to support higher on-prem capacity needs, with the strongest signal in all-flash Storage.** 59% of CIOs expect on-premise compute capacity needs to increase due to AI workloads over the NTM, broadly unchanged from 60% in our 2Q26 survey (Exhibit 84). For on-premise all-flash Storage, 69% expect capacity needs to increase, up 10 points from 59% in 2Q26 (Exhibit 85).
- **CIOs expect a modest shift of AI inference back toward on-premise/on-device over the next 12 months.** The current on-premise/on-device share of AI inferencing workloads is 26%, down from 29% in our 2Q26 survey, but CIOs expect that share to rise to 29% over the NTM, up from 27% vs. our 2Q26 survey; 71% of inference workloads would still reside in the cloud (Exhibit 86).
- **AI-driven workload repatriation remains limited in magnitude and is primarily motivated by security/privacy reasons, data sovereignty, and token costs.** Over the NTM, 43% of CIOs (vs. 40% in 3Q25) expect to repatriate ~9% of workloads on average because of AI, slightly below our 3Q25 survey at ~10%, while 57% have no plans to repatriate AI workloads on-premise (Exhibit 87). Security/privacy (16%), data sovereignty (15%), token costs (15%) and greater control over data (14%) are

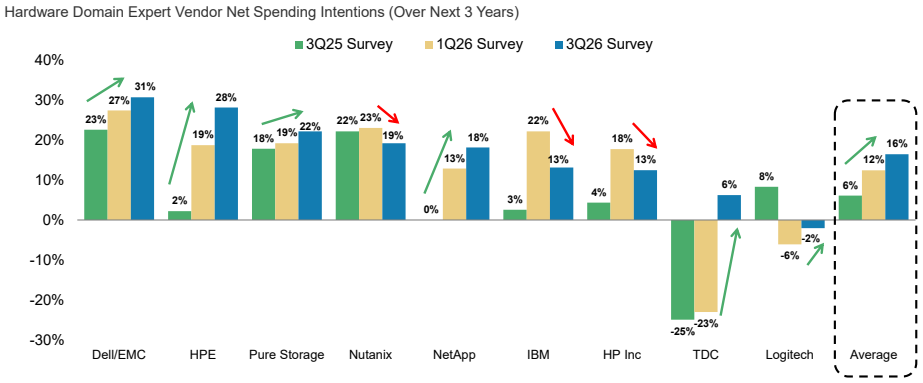
the leading reasons cited for repatriation (Exhibit 88). Overall, while CIOs expect more AI inference workloads to run on-prem/on-device over the NTM, limited workload repatriation suggests the tailwind to traditional on-prem Hardware spending from AI may remain relatively modest.

- **13% of CIOs are extremely interested in purchasing AI PCs in the NTM.** 78% of CIOs are at least somewhat interested in purchasing an AI PC over the next 12 months specifically to run more AI workloads locally and/or save on token costs, including 28% who are moderately interested and 13% extremely interested (Exhibit 89).

Vendor Specific Takeaways: Enterprise Infrastructure Vendors Stand Out Most Positively

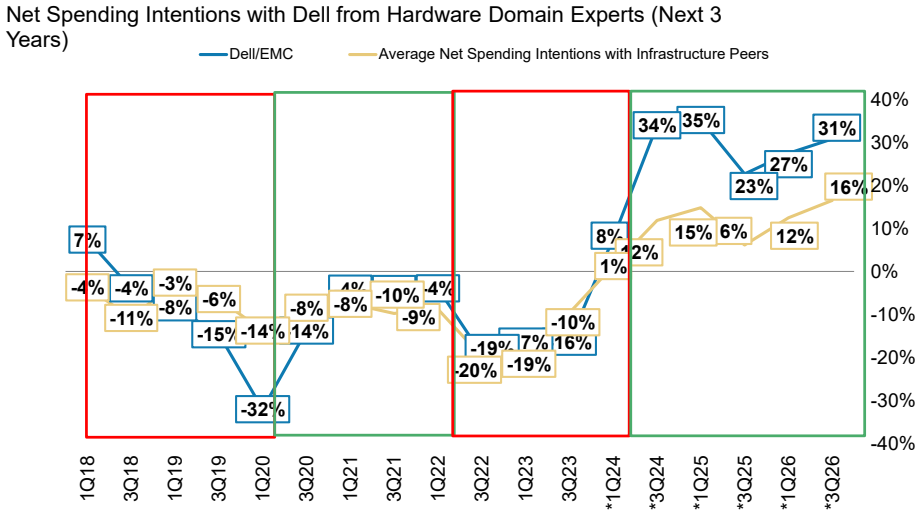
Over the next three years, do you expect to spend more, less, or the same with the following vendors?

Exhibit 90: Average Hardware expert net spending intentions upticked 4 points vs. our 1Q26 survey to 16%. On a vendor level, spending intentions increased for all except for Nutanix (covered by Meta Marshall), IBM, and HP Inc.



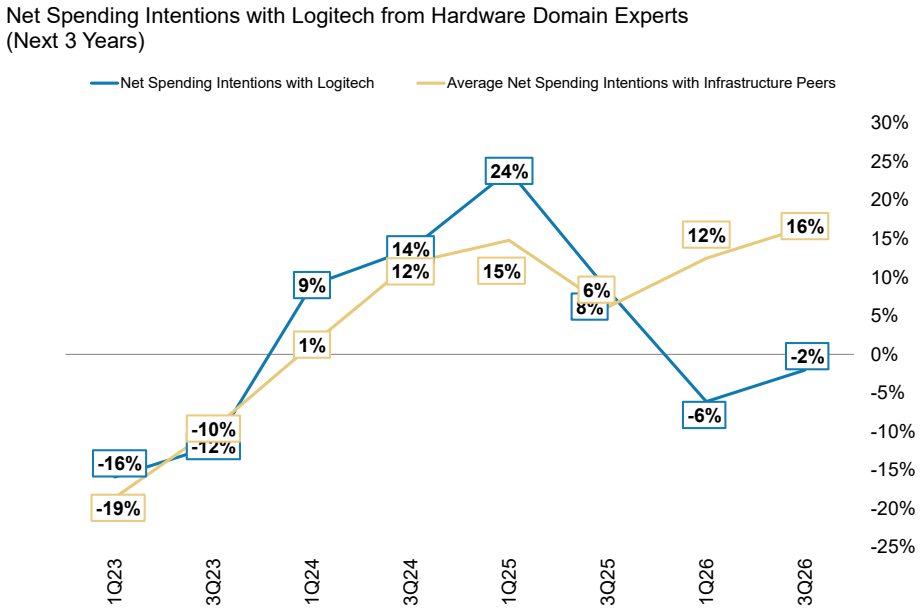
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

Exhibit 91: DELL net spending intentions in the next 3 years upticked by 4 points vs. 1Q26, and remains well above the average of other on-prem infrastructure peers.



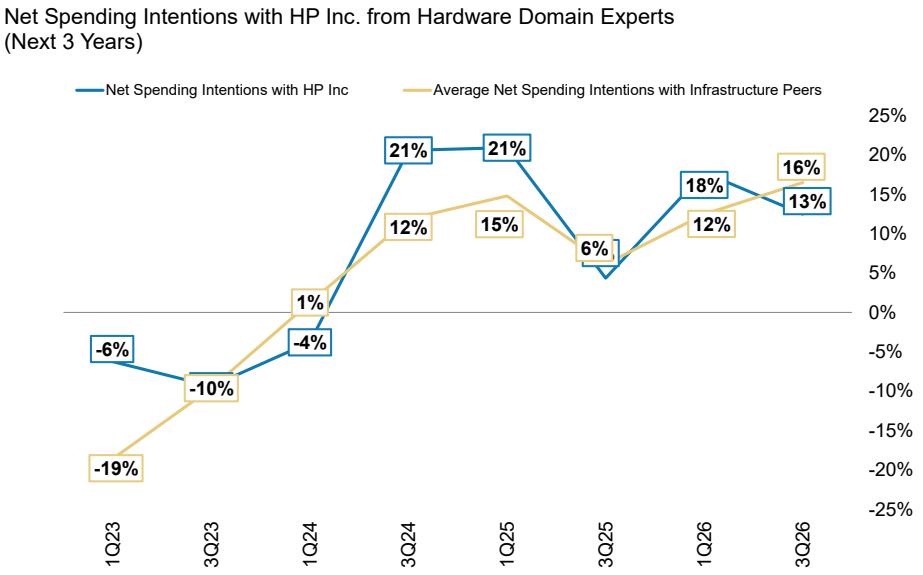
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *Please note that we changed our domain panel vendor during the first half of 2024, which means comparisons with prior domain surveys could face possible comparability issues.

Exhibit 92: LOGI net spending intentions upticked by 4 points vs 1Q26, and remains below the average of infrastructure peers.



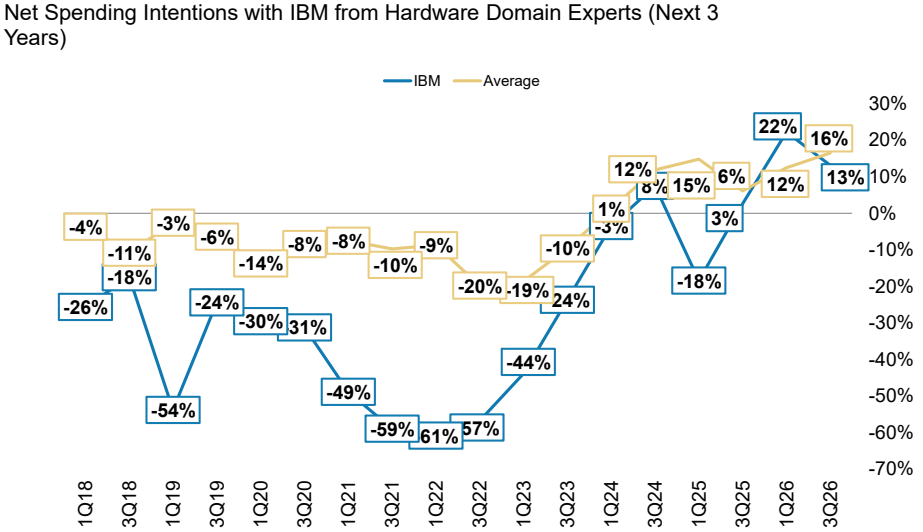
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *Please note that we changed our domain panel vendor during the first half of 2024, which means comparisons with prior domain surveys could face possible comparability issues.

Exhibit 93: HPQ net spending intentions downticked by 5 points vs 1Q26, now below the average of infrastructure peers.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *Please note that we changed our domain panel vendor during the first half of 2024, which means comparisons with prior domain surveys could face possible comparability issues.

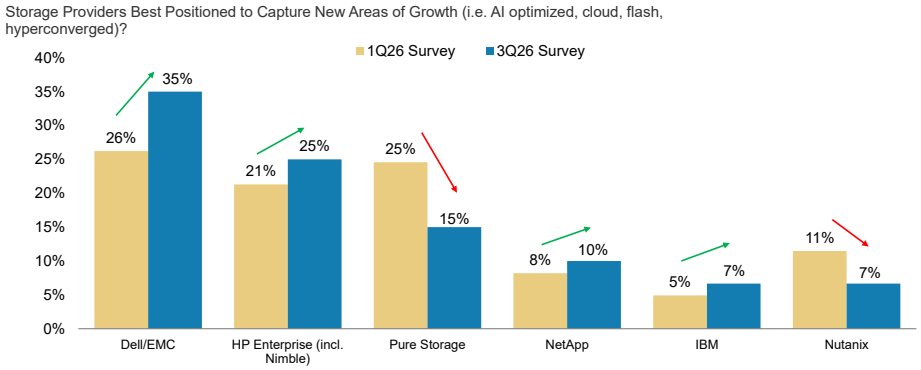
Exhibit 94: IBM net spending intentions downticked by 9 points vs 1Q26, now below the average of infrastructure peers.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data). *Please note that we changed our domain panel vendor during the first half of 2024, which means comparisons with prior domain surveys could face possible comparability issues.

Who is the best positioned among existing storage providers to capture new areas of growth (i.e. AI optimized, cloud, flash, hyperconverged)?

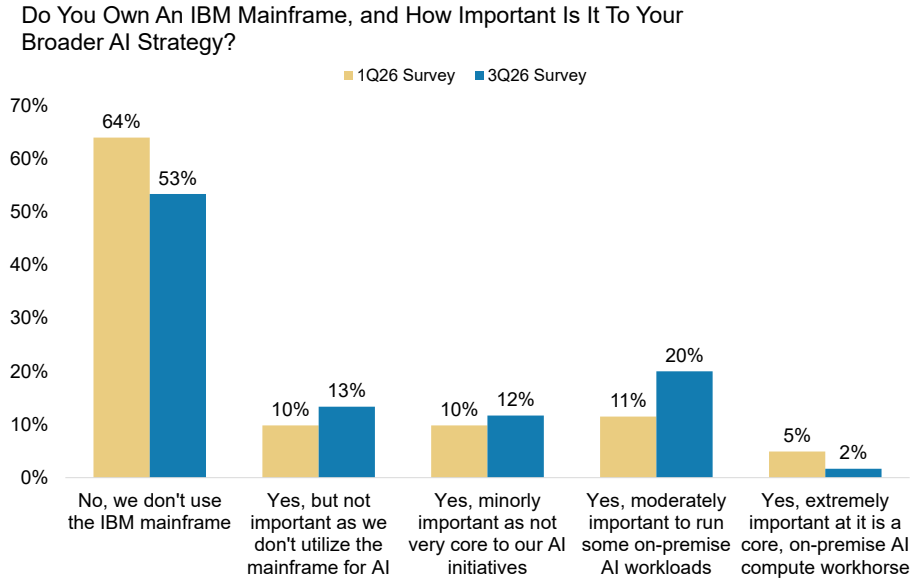
Exhibit 95: 35% of CIOs in our 3Q26 survey believe that Dell is the best positioned storage provider to capture new areas of growth.



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data).

Do you use the IBM Mainframe? If so, how important is your IBM mainframe in successfully executing your broader AI strategy?

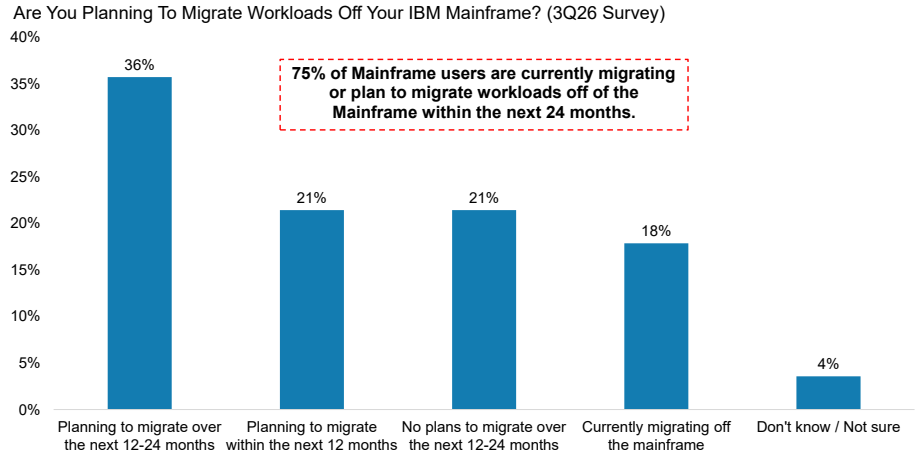
Exhibit 96: 53% of hardware experts don't use the IBM Mainframe, while 34% note that it is anywhere from minorly to extremely important (vs. 26% in 1Q26).



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data).

Are you in the process of, or planning to, migrating workloads off your IBM mainframe?

Exhibit 97: 75% of Mainframe users are currently migrating or plan to migrate workloads off of the mainframe within the next 24 months.



Source: AlphaWise, Morgan Stanley Research. n=28 (US and EU data).

- **3-year Hardware vendor spending intentions uptick vs. 1Q26,** with the average net score rising to +16% from +12% in 1Q26. We believe this uptick is reflective, in part, of the fact that prices continue to increase across vendors (i.e. due to component cost inflation). For our specific coverage universe, **DELL** (+31%) and **HPE** (+28%) screen most positively. Spending intentions improve sequentially for all vendors except 3 out of 9: NTNX (covered by Meta Marshall), IBM and HPQ, which moved lower in 3Q26 (Exhibit 90).
- **DELL remains the best-positioned enterprise Hardware vendor, with strength broadening across both spending intentions and Storage positioning.** DELL's 3-year net spending intentions increased 4 points to +31%, ~15 points above the +16% peer average (Exhibit 91). Separately, 35% of CIOs view **DELL** as the Storage provider best positioned to capture new areas of growth, up from 26% in 1Q26 and ahead of **HPE** at 25% and **P** at 15% (Exhibit 95).
- **TDC sees the largest sequential improvement, while LOGI remains the weakest relative to peers.** TDC's net spending intentions improved to +6% from -23% in 1Q26, a ~29-point swing, although still below the +16% Hardware peer average (Exhibit 90). LOGI screens as the vendor most at risk, improving 4 points to -2% in 3Q26, while remaining the only vendor with a negative net score (Exhibit 92).
- **IBM CIO data points are mixed: Mainframe relevance to AI strategy improves, but vendor spending intentions soften, and Mainframe migration risk is elevated.** IBM 3-year net spending intentions fall 9 points vs. 1Q26 to +13%, below the +16% peer average (Exhibit 94). At the same time, the share of CIOs not using the Mainframe declines to 53% from 64% in 1Q26, and 34% now describe the Mainframe as at least minorly important to their AI strategy versus 26% in 1Q26 (Exhibit 96). However, 75% of current Mainframe users are already migrating or plan to migrate workloads off within the next 24 months (Exhibit 97), which is directionally in-line with the industry checks we've conducted earlier this year.

Networking - Key Takeaways

Networking growth improves, with greater networking defensibility and a stronger F5 refresh outlook. Our 3Q26 CIO survey points to 3.0% Networking growth in 2026, up 39bps from 2.6% in 2Q26, with CIOs expecting 2.8% growth in 2027. Overall IT budget growth also improves to 4.0% from 3.8%, with a similar pace expected next year. Beyond the stronger growth outlook, networking equipment moves to 3rd in spending defensibility from 4th, reinforcing the resilience of underlying demand. Early signs of net-new AI networking budgets are encouraging, while limited purchasing acceleration in response to higher equipment prices suggests little demand pull-forward. **FFIV** stands out among our networking names, with three-year net spending intentions rising to +24% from +5%, supported by firmer hardware refresh plans and greater preference for traditional ADC vendors. We see continued support from campus refresh and security investment, although spending remains selective amid macro uncertainty.

Networking's improved defensibility supports demand, with refresh and security remaining key spending drivers. Despite slipping to 9th in spending prioritization from 4th, networking equipment rises to 3rd in defensibility, suggesting CIOs are more inclined to protect existing infrastructure investments. Network security/SASE remains the leading current networking priority at 38% of respondents, up from 31%, while new connectivity projects increase to 17% from 10%. Campus switching net spending intentions improve to +50% from +41%, while data center switching remains positive at +33%, albeit below the +49% reading in 1Q26. Aging equipment is the primary upgrade driver for 45% of networking respondents, up from 37%, with security-related upgrades also rising to 28% from 21%. While 37% of respondents are adjusting project sizes or timelines amid macro uncertainty, cancellations remain limited at 3%. We see a durable enterprise networking spending backdrop supported by replacement needs rather than a broad acceleration across categories.

AI infrastructure is beginning to create net-new networking budgets, although the opportunity remains early. Among the eight CIOs identifying AI preparation as their primary networking budget priority, four are funding those projects through net-new networking budgets, while five are focused on data center networking. While the sample is small, the results offer an encouraging indication that AI investment can expand the networking budget rather than solely compete with existing infrastructure projects. AI infrastructure remains a meaningful upgrade driver for 23% of CIOs, although below 32% in 1Q26, suggesting the incremental opportunity is developing alongside more traditional spending priorities.

Higher equipment prices appear unlikely to drive meaningful demand pull-forward. Despite ongoing pricing pressure, only 18% of CIOs would accelerate purchases into 2H26 if vendors raised prices further, compared with 40% who would maintain existing schedules and another 40% who would delay purchases. Responses suggest pricing is more likely to influence purchasing timelines than prompt widespread prebuying. Macro uncertainty continues to affect spending decisions, with 37% of networking respondents reducing project sizes, extending replacement cycles or delaying new projects, up from 26% in 1Q26. However, cancellations remain limited at 3%, and 45% report no changes to their order cadence. We read the results as evidence of continued investment discipline

rather than a deterioration in underlying networking requirements, with limited evidence that price increases are pulling substantial demand forward from future periods.

- **F5 shows the strongest improvement in spending intentions, supported by an increasingly visible refresh opportunity.** F5's three-year net spending score rises to +24% from +5%, a 19-point improvement that stands out against moderating readings for Cisco and Arista. Among the 37 F5 customers responding to the refresh question, 49% plan a VIPRION and/or iSeries upgrade within the next 12 months, up from 35% previously. Customers most frequently target upgrades over the next 4–6 months, providing a more tangible near-term demand indicator. Traditional ADC usage also increases to 54% of F5 customers from 43%, while 55% of CIOs across the broader survey now prefer traditional vendors and their virtual products for ADC and application-security requirements during cloud transitions, up from 31%. Spending intentions for ADCs remain net positive at approximately +25% across both F5-specific questions, although sequential trends differ. We see a stronger F5-specific outlook supported by refresh demand and customer preference for established vendors, rather than evidence of an acceleration across every application-delivery category.
- **Cisco retains a solid enterprise position, although spending intentions moderate from earlier highs.** Cisco leads the named networking vendors in three-year net spending intentions at +28%, down from +57% in 1Q26. Campus remains a source of resilience, with 63% of respondents keeping or planning to keep Cisco as their switching vendor, compared with 68% previously. Cisco also retains the strongest data center expansion presence, with 58% of CIOs currently using its equipment and planning capacity additions, although its net expansion score moderates to +37% from +55%. Security-driven spending intentions remain positive at +34% from +48%, while 47% of respondents have evaluated new Cisco security products and intend to purchase, compared with 57%. Splunk provides a more encouraging retention signal, with 9% of existing customers planning to leave, down from 15%. Campus refresh and security priorities support the installed base, even as vendor-specific readings point to a more measured growth outlook.
- **Arista maintains positive enterprise spending intentions, with modest improvement in campus interest.** Arista's three-year net spending score remains positive at +25%, compared with +29% in 1Q26. Data center expansion intentions remain approximately +10%, with 17% of networking respondents currently using Arista and planning capacity additions, compared with 7% planning to migrate away. Evaluation interest moderates to 12% from 18%, limiting evidence of broader near-term expansion within the surveyed customer base. Campus interest improves modestly, with 5% of CIOs reporting a move or planned move to Arista, up from 3%. We continue to see supportive enterprise spending intentions, although the 20-customer sample warrants caution. Survey results should not be interpreted as a measure of Arista's hyperscaler demand or overall market share.

Cybersecurity

Security remains one of the most defensible spending categories, with identity gaining priority. Security software ranks 2nd in both spending prioritization and defensibility, with its net defensibility score improving to +16% from +15%. Network security remains the leading current networking priority and the first choice for incremental networking

budgets should macro conditions improve. Within cybersecurity, identity and access management becomes the leading spending priority at 35% of CIOs, up from 18%. Network security prevention also gains traction, while cloud and endpoint security receive fewer first-priority responses. We see continued support for security budgets, although investment priorities are evolving within the category rather than uniformly benefiting all vendors.

- **PANW and CRWD retain leading positions in platform purchasing and evaluation.** PANW remains at 47% of respondents using or evaluating its platform or Flex offerings, while CRWD reaches the same level from 53% in 1Q26. Both continue to lead the named vendors in this question. Current cybersecurity usage moderates to 50% of CIOs for PANW and 53% for CRWD, versus 58% each previously. Those lower usage readings warrant monitoring, but both vendors retain substantial representation within the sample. Strong security defensibility and continued interest in bundled platforms support their opportunities, while the sequential results suggest a steadier picture than a broad step-up in purchasing.
- **FTNT improves across key vendor measures, while ZS remains broadly stable.** FTNT platform purchasing or evaluation rises to 23% from 15%, with current usage increasing to 25% from 19%. Network security prevention also gains priority, with 18% of CIOs identifying it as their primary cybersecurity focus, up from 13%. ZS remains relatively stable, with platform purchasing or evaluation reaching 33% from 32% and current usage unchanged at 35%. Results support a constructive network-security backdrop, with FTNT showing stronger sequential momentum.
- **Identity gains strategic importance, although vendor-specific results remain mixed.** Identity and access management leads current cybersecurity priorities, while agent identity rises to 22% of AI security priorities from 11%. Greater interest in identity does not yet translate into stronger named-vendor readings. OKTA platform purchasing or evaluation reaches 25% from 31%, with current usage falling to 27% from 40%. SailPoint platform purchasing or evaluation moderates to 10% from 21%, while usage reaches 17% from 19%. We see a growing category opportunity but would look for stronger vendor-level adoption before drawing firmer conclusions.
- **AI security priorities broaden beyond data protection.** Data security remains the leading AI security priority at 25% of CIOs, although down from 34% in 1Q26. Agent identity narrows the gap at 22%, while automated security operations and managed detection and response remain broadly stable at 20%. Application security testing rises to 13% from 3%, whereas cloud security moderates to 15% from 23%. We view the results as evidence of a broader set of security requirements emerging as AI initiatives mature, rather than a single product category capturing all incremental spending.

Analysis

Since we last surveyed you earlier this year, what, if anything, has changed in your organization's networking investment priorities or planned spending? What is driving the change?

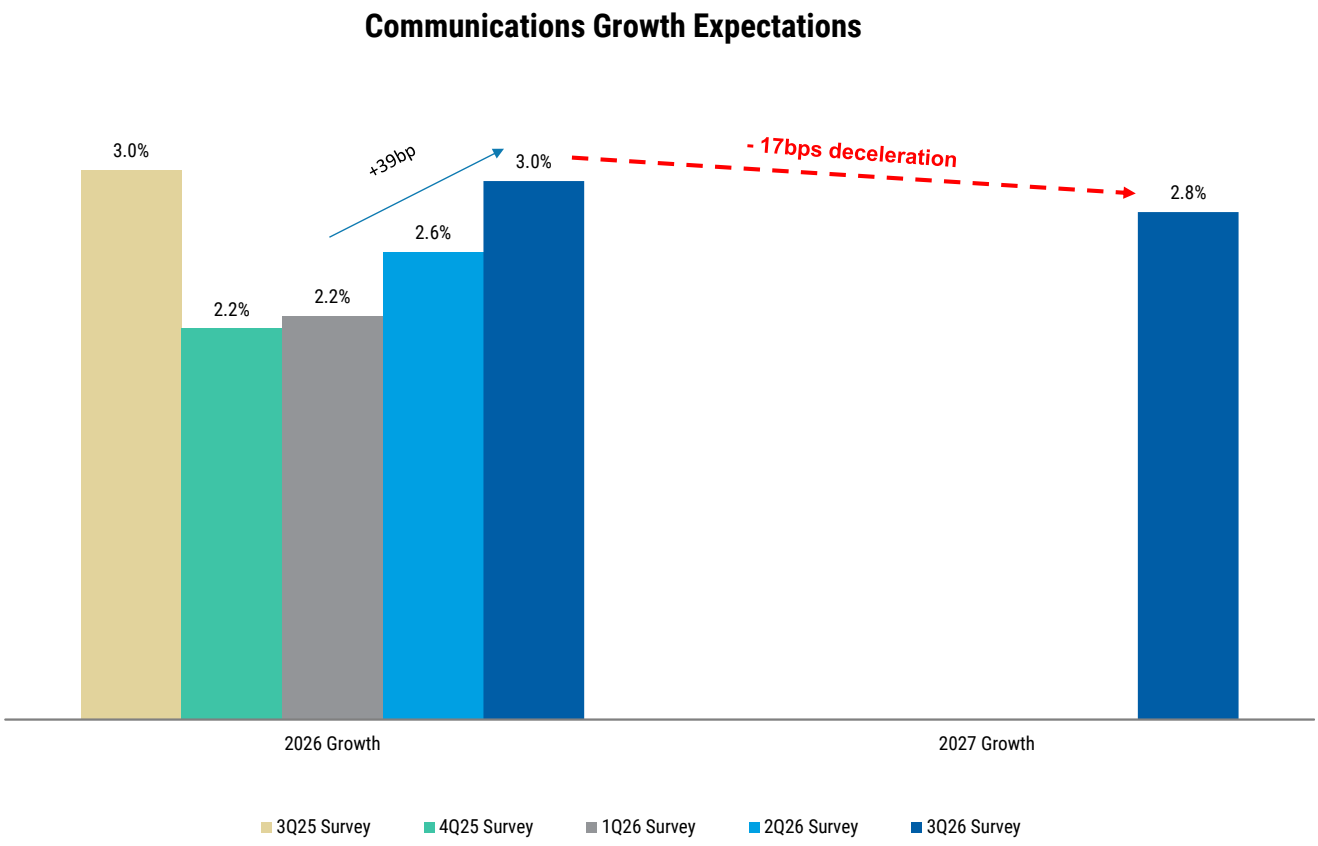
Respondents suggest that the decline in planned networking spend is not necessarily indicative of a broad pullback in networking investment. Respondents who got back to us indicated strong AI- and data-center-driven demand, acquisitions, and infrastructure modernization as continued investment drivers. ***However, spending seems to becoming more targeted, with some organizations accelerating purchases to mitigate vendor price increases and component shortages, while others are extending/ delaying refresh cycles and delaying procurement decisions because of macroeconomic uncertainties.*** *The combination of accelerated near term purchasing, shifting investment toward AI/ data-center infrastructure, and greater budget caution may be contributing to the softer forward-looking spending outlook observed in Q1.*

Broader Macro CIO Survey Results

By what percentages do you expect your External IT Spending to change for each of the following technology areas in 2026 vs. 2025? What was your percentage (%) growth for the External IT Spending portion of your IT Budget for the full year 2026 vs. 2025? What is your estimated spending for 2027 vs. 2026?



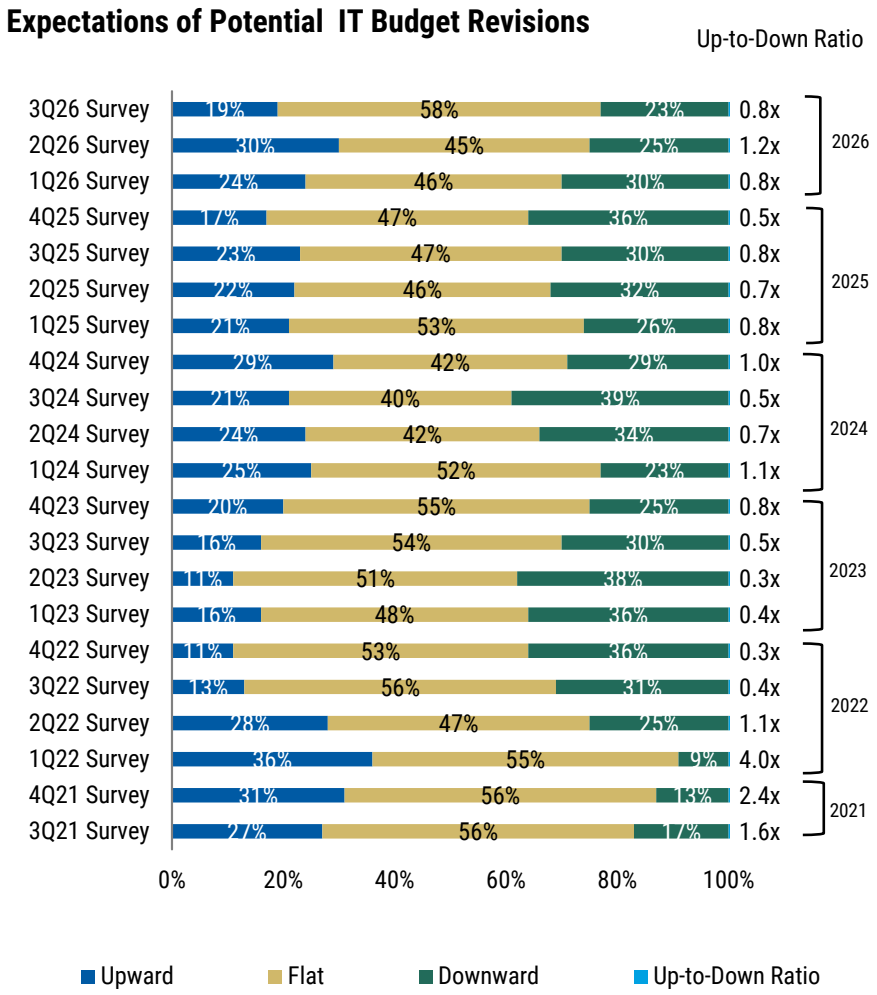
Exhibit 98: Initial Read Points to +2.8% Communications Growth in 2027, Slightly Below +3.0% Expected for 2026



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

What are your expectations regarding potential future revisions to your current 2026 IT budget plans?

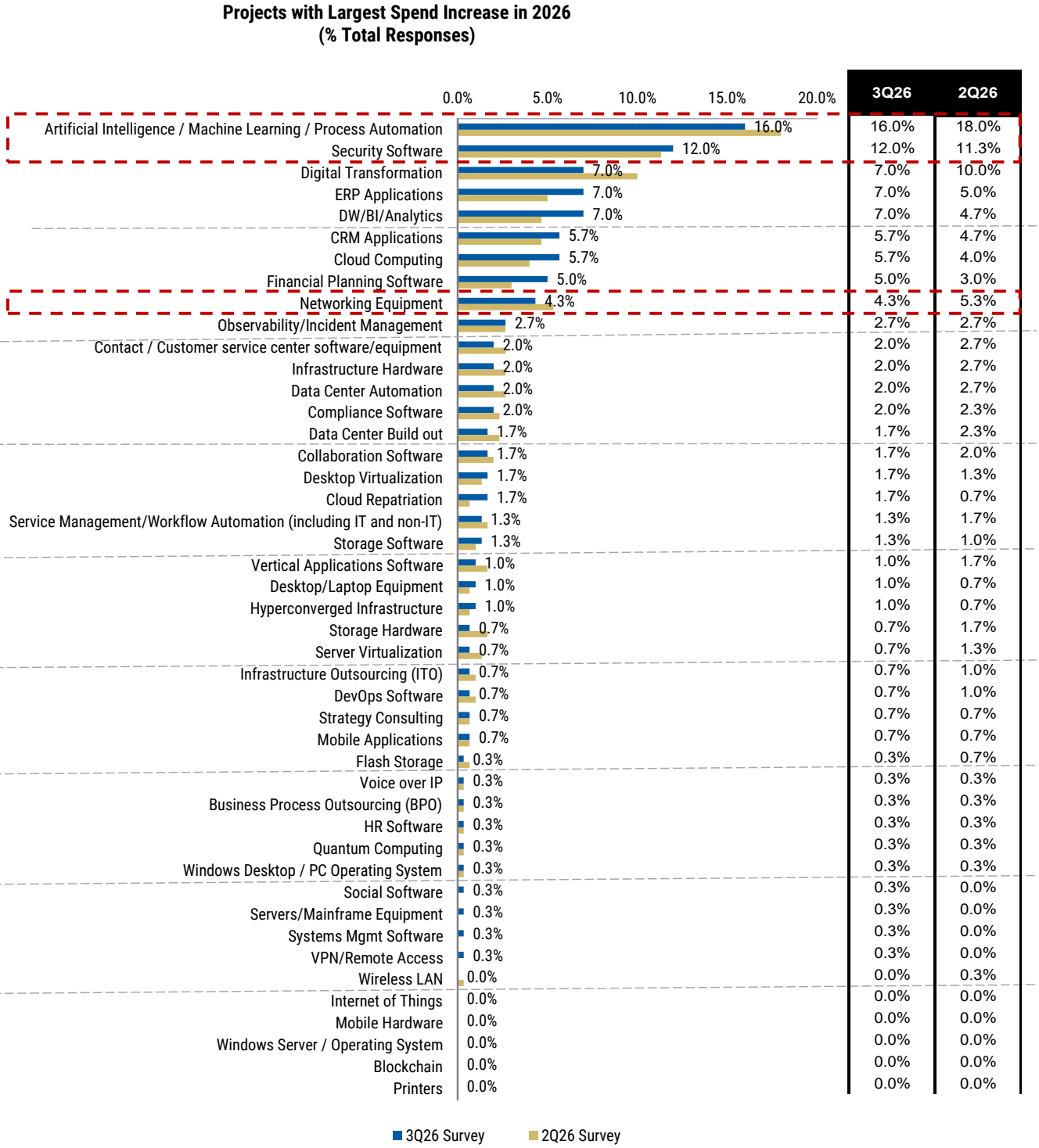
Exhibit 99: Budget Revision Up-to-Down Ratio Falls to 0.8x from 1.2x as Upside Expectations Ease



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

Which three External IT Spending projects will see the largest percentage increase in spending in 2026?

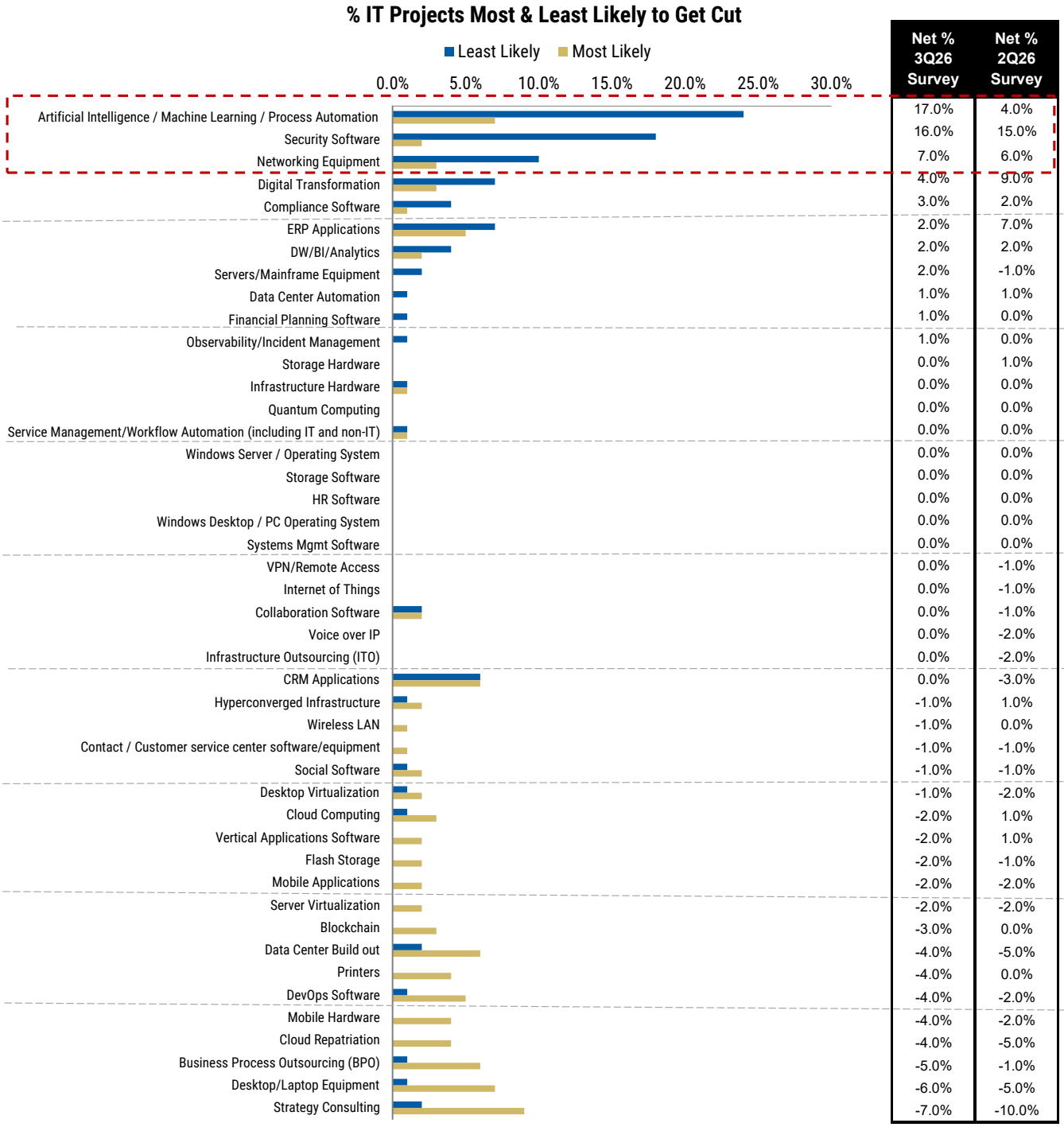
Exhibit 100: Networking Equipment Falls to 9th in Spending Prioritization, from 4th in 2Q26



Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data).

If the economy worsens significantly in 2026, what spending project is most likely to get cut? What spending project is least likely to get cut?

Exhibit 101: Networking Equipment Ranks 3rd in Defensibility, Up from 4th in 2Q26



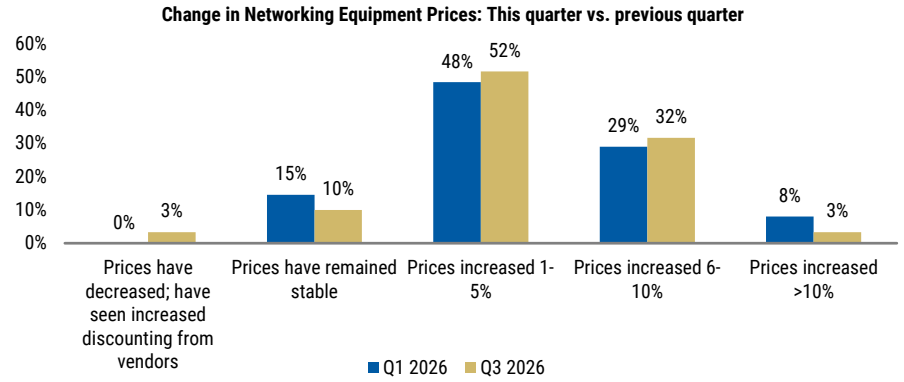
	Net % 3Q26 Survey	Net % 2Q26 Survey
Artificial Intelligence / Machine Learning / Process Automation	17.0%	4.0%
Security Software	16.0%	15.0%
Networking Equipment	7.0%	6.0%
Digital Transformation	4.0%	9.0%
Compliance Software	3.0%	2.0%
ERP Applications	2.0%	7.0%
DW/BI/Analytics	2.0%	2.0%
Servers/Mainframe Equipment	2.0%	-1.0%
Data Center Automation	1.0%	1.0%
Financial Planning Software	1.0%	0.0%
Observability/Incident Management	1.0%	0.0%
Storage Hardware	0.0%	1.0%
Infrastructure Hardware	0.0%	0.0%
Quantum Computing	0.0%	0.0%
Service Management/Workflow Automation (including IT and non-IT)	0.0%	0.0%
Windows Server / Operating System	0.0%	0.0%
Storage Software	0.0%	0.0%
HR Software	0.0%	0.0%
Windows Desktop / PC Operating System	0.0%	0.0%
Systems Mgmt Software	0.0%	0.0%
VPN/Remote Access	0.0%	-1.0%
Internet of Things	0.0%	-1.0%
Collaboration Software	0.0%	-1.0%
Voice over IP	0.0%	-2.0%
Infrastructure Outsourcing (ITO)	0.0%	-2.0%
CRM Applications	0.0%	-3.0%
Hyperconverged Infrastructure	-1.0%	1.0%
Wireless LAN	-1.0%	0.0%
Contact / Customer service center software/equipment	-1.0%	-1.0%
Social Software	-1.0%	-1.0%
Desktop Virtualization	-1.0%	-2.0%
Cloud Computing	-2.0%	1.0%
Vertical Applications Software	-2.0%	1.0%
Flash Storage	-2.0%	-1.0%
Mobile Applications	-2.0%	-2.0%
Server Virtualization	-2.0%	-2.0%
Blockchain	-3.0%	0.0%
Data Center Build out	-4.0%	-5.0%
Printers	-4.0%	0.0%
DevOps Software	-4.0%	-2.0%
Mobile Hardware	-4.0%	-2.0%
Cloud Repatriation	-4.0%	-5.0%
Business Process Outsourcing (BPO)	-5.0%	-1.0%
Desktop/Laptop Equipment	-6.0%	-5.0%
Strategy Consulting	-7.0%	-10.0%

Source: AlphaWise, Morgan Stanley Research. n=100 (US and EU data)

Higher Prices Influence Purchase Timing

How have networking equipment prices changed from vendors in 3Q26 compared to 2Q26 (e.g. due to component or memory cost inflation)? Please consider the net prices (after discounts) when responding

Exhibit 102: Networking Price Increases Remain Widespread

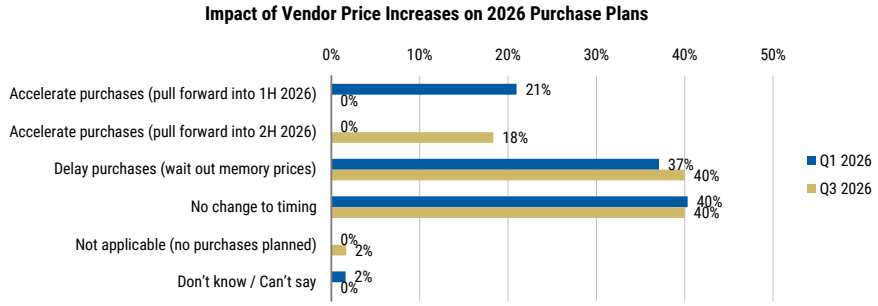


Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data).

- **Most CIOs continue to report higher networking equipment prices.** 87% of CIO's report an increase from the preceding quarter, compared with 85% in the 1Q26 survey. Among all respondents, 52% report increases of 1-5% and 32% report increases of 6-10%.
- **Large price increases become less common.** 3% of CIOs report increases above 10%, down from 8% in 1Q26. Another 10% report stable prices and 3% report declines, suggesting more modest increases account for most of the current pricing pressure.

If vendors raise prices for networking / firewall equipment during next 3 months, how will that impact your 2026 purchasing plans?

Exhibit 103: Further Price Increases Could Delay Networking Purchases



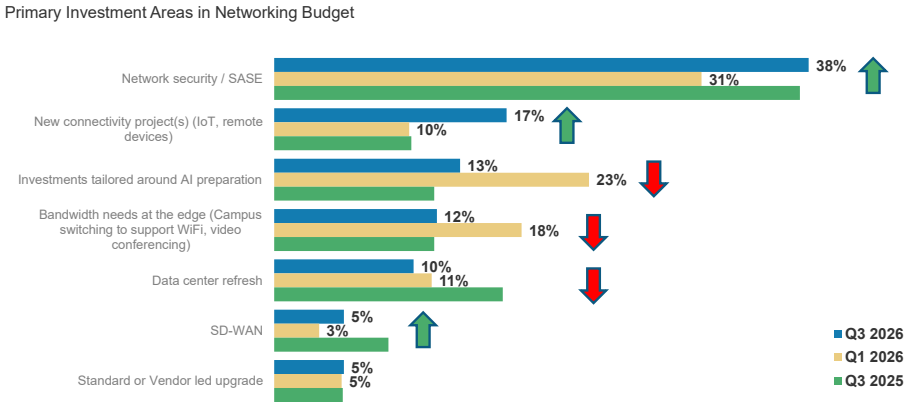
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data).

- **CIOs show different responses to prospective price increases.** 40% would maintain their 2026 purchase schedules, while another 40% would delay purchases to wait for memory prices to improve. Deferral intentions rise from 37% in 1Q26.
- **Some customers would accelerate purchases instead.** 18% of CIOs would bring purchases forward into 2H26. Overall, further price increases could affect order timing in both directions, with more respondents considering deferrals than acceleration.

Security Remains the Top Networking Priority

What investment area is primarily driving your current networking spend / budget?

Exhibit 104: Network Security/SASE Leads Current Networking Budgets at 38%, Up from 31%

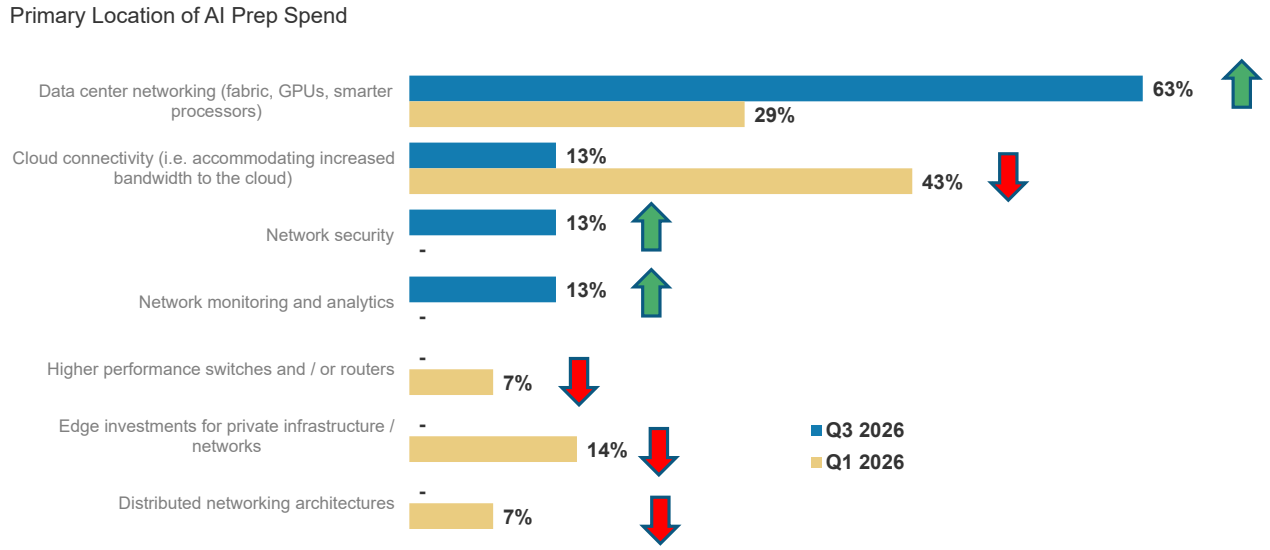


Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data).

- **Network security/SASE remains the primary budget driver for 38% of CIOs, up from 31%.** New connectivity projects follow at 17%, up from 10%. Greater emphasis on network security supports the opportunity for CSCO, PANW and FTNT.
- **AI preparation and infrastructure upgrades remain relevant, though priorities shift.** 13% of CIOs identify AI preparation as their main networking investment area, versus 23% previously. Edge bandwidth needs account for 12% of respondents, and data center refresh accounts for 10%. These figures measure primary priorities, not spending allocations.

You noted investments tailored around AI preparation, what segment of networking is this primarily accruing to? Are your 2026 networking investments tailored around AI preparation funded through net-new IT budget dollars or a reallocation of budgets?

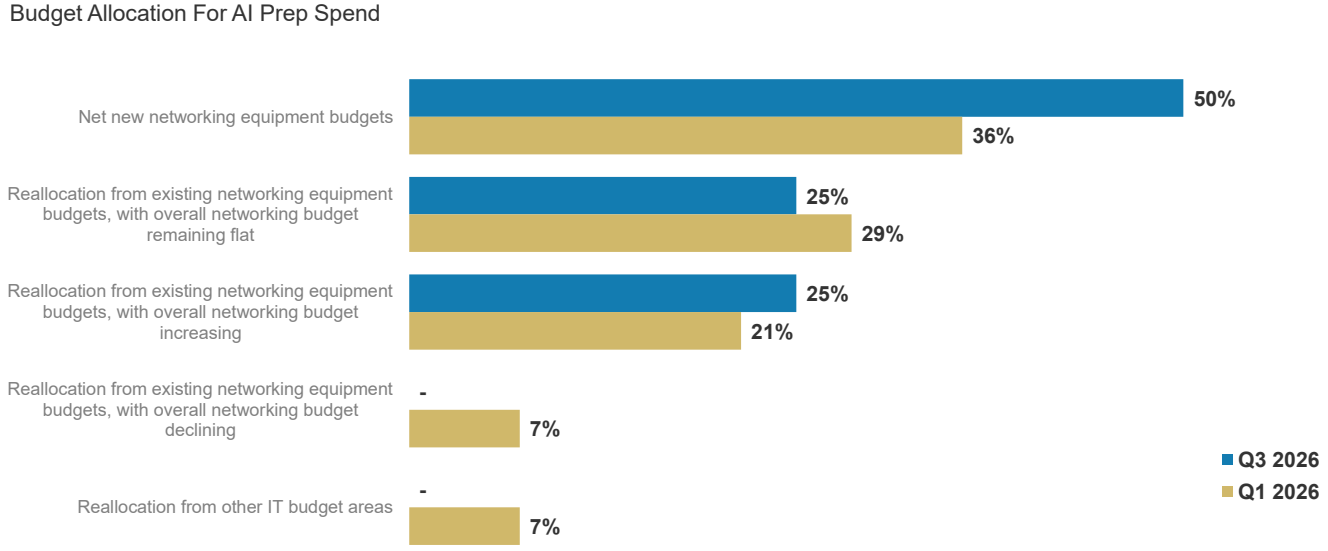
Exhibit 105: Data Center Networking Is the Main AI-Preparation Priority for 63% of a Small Respondent Group...



Source: AlphaWise, Morgan Stanley Research. n=8 (US and EU data). We note low sample size in this question.

- **Data center networking attracts the greatest focus among CIOs prioritizing AI preparation.** Five of eight respondents, or 63%, select that area, compared with 29% in 1Q26. Cloud connectivity, network security and network monitoring each receive one response.
- **AI-related investment remains relevant to CSCO and ANET.** However, the subgroup includes eight CIOs versus 14 previously. We treat its responses as directional evidence of where AI preparation drives investment, rather than a measure of total enterprise networking demand.

Exhibit 106: ...While Half Cite Net-New Networking Equipment Budgets



Source: AlphaWise, Morgan Stanley Research. n=8 (US and EU data). We note low sample size in this question.

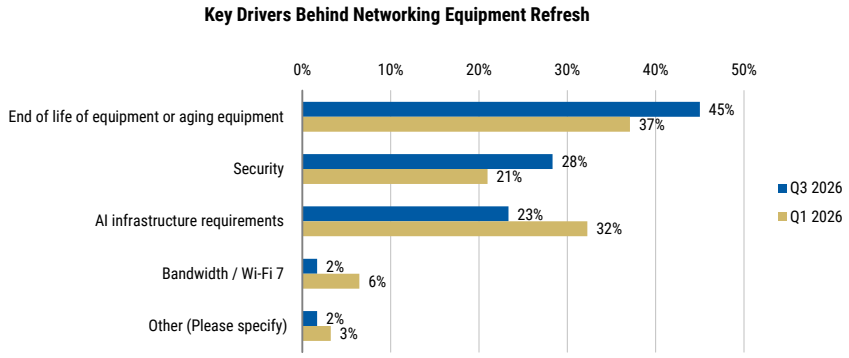
- **Half of the CIOs prioritizing AI preparation use net-new networking budgets.** Four of eight respondents select new funding,

compared with 36% in 1Q26. Another 25% reallocate within flat networking budgets, while 25% reallocate within growing networking budgets.

- **New funding supports an incremental networking opportunity.** None of these respondents cite reallocations from other IT areas or declining networking budgets. Results are encouraging for AI-related demand, although the small sample limits extrapolation.

What is the primary driver of your networking equipment upgrades?

Exhibit 107: Aging Equipment and Security Lead Refresh Priorities

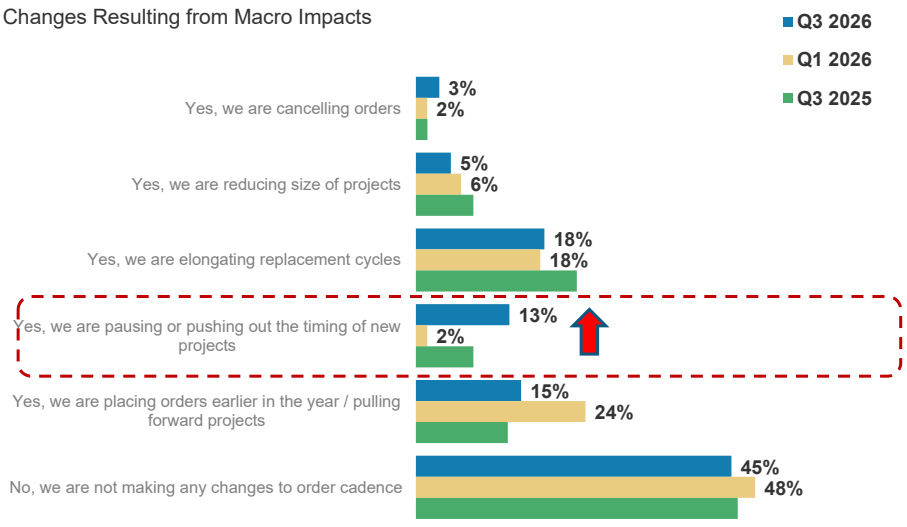


Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data).

- **Replacement needs remain the main driver of networking upgrades.** 45% of CIOs cite aging or end-of-life equipment, up from 37% in 1Q26. Security gains to 28% of respondents from 21%, supporting continued modernization demand.
- **AI infrastructure remains a meaningful upgrade driver.** 23% of CIOs select AI requirements, compared with 32% previously. Replacement, security and AI together continue to account for the large majority of respondents' primary upgrade motivations.

Within Networking Equipment, are you reacting to the macro environment via the following actions?

Exhibit 108: Project Delays Increase to 13% from 2%, While Pull-Forward Activity Moderates

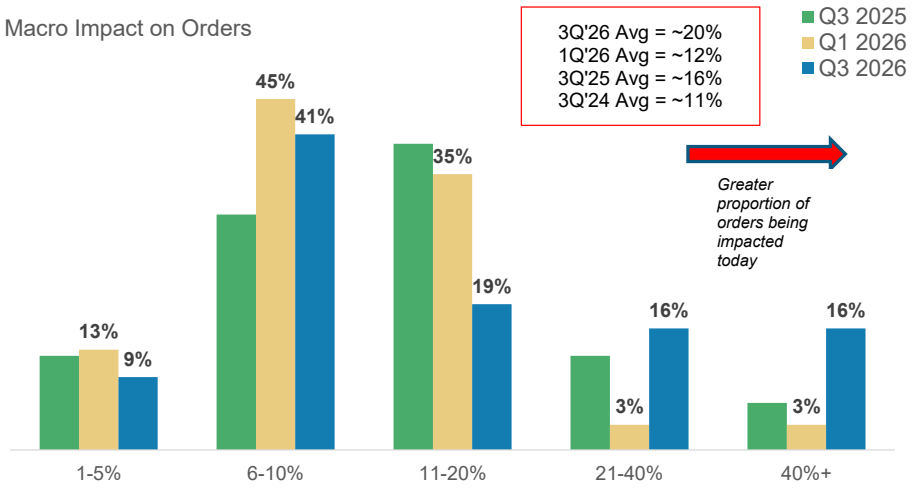


Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data).

- **Many CIOs maintain order schedules, while some defer investment.** 45% report no change to order cadence. An aggregate 37% reduce project sizes, extend replacement cycles or delay new projects, compared with 26% in 1Q26.
- Project delays account for most of the increase in spending restraint. 13% of CIOs pause or push out new projects, versus 2% previously. Cancellations remain limited at 3%, while 18% extend replacement cycles, broadly unchanged.
- Fewer CIOs accelerate orders than in the prior survey. 15% bring purchases forward, versus 24% in 1Q26. Results suggest a greater influence from project timing, even as campus spending and replacement needs continue to support demand.

If you answered yes to the question above, what percent of your orders are impacted?

Exhibit 109: Average Share of Orders Affected by Macro Rises to 20% from 12%

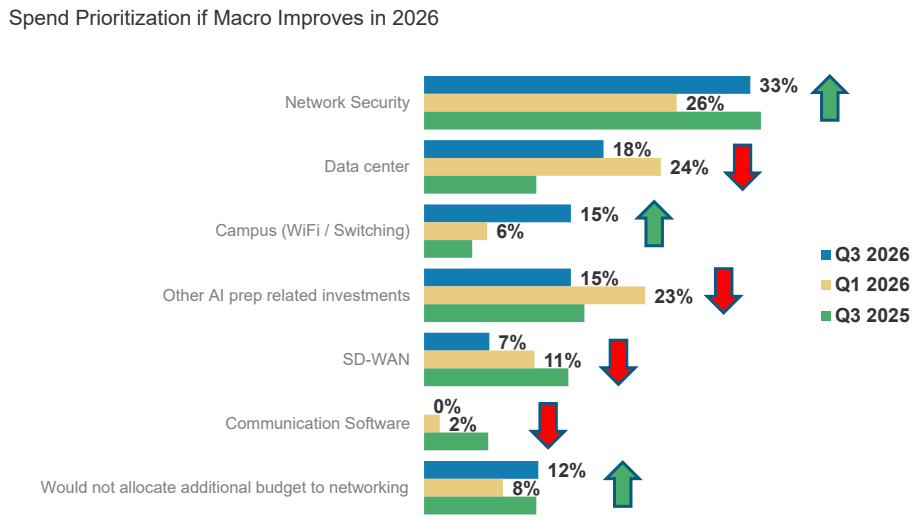


Source: AlphaWise, Morgan Stanley Research. n=32 (US and EU data)

- **CIOs changing their order plans report a broader macro impact.** Across this 32-respondent subgroup, macro-related changes affect approximately 20% of orders on average, compared with 12% in 1Q26. Responses include accelerated purchases as well as delays and reductions, so the measure does not represent lost demand.

If the macro environment were to improve into 2026, which segment of networking equipment would you prioritize spend within?

Exhibit 110: Network Security Remains the Leading Incremental Budget Priority, While Campus Gains Ground



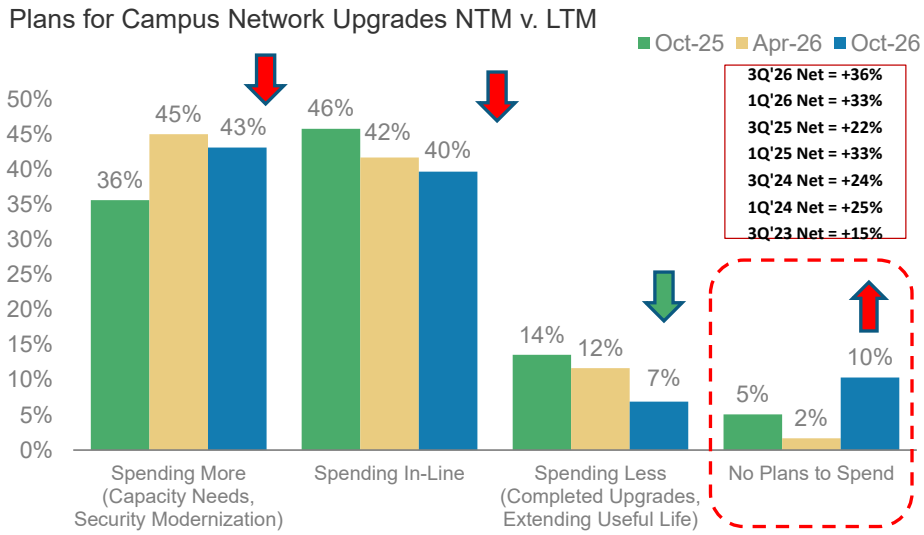
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

- **Network security remains the first priority for additional networking investment.** 33% of CIOs would direct incremental spending toward security if macro conditions improve, up from 26%. Campus WiFi and switching increase to 15% of respondents from 6%, supporting CSCO's campus opportunity.
- Data center investment remains the second-highest priority. 18% of CIOs select data centers, versus 24% previously. Another 15% prioritize other AI preparation and 7% select SD-WAN. Continued interest across these areas supports investment opportunities despite a more selective mix.

Campus Intentions Improve, but Spending Becomes More Polarized

Which of the following statements best describes your company's spending plans for campus networking upgrades over the next twelve months?

Exhibit 111: Campus Upgrade Net Intentions Rise to +36% from +33%, While No-Spend Responses Reach 10%

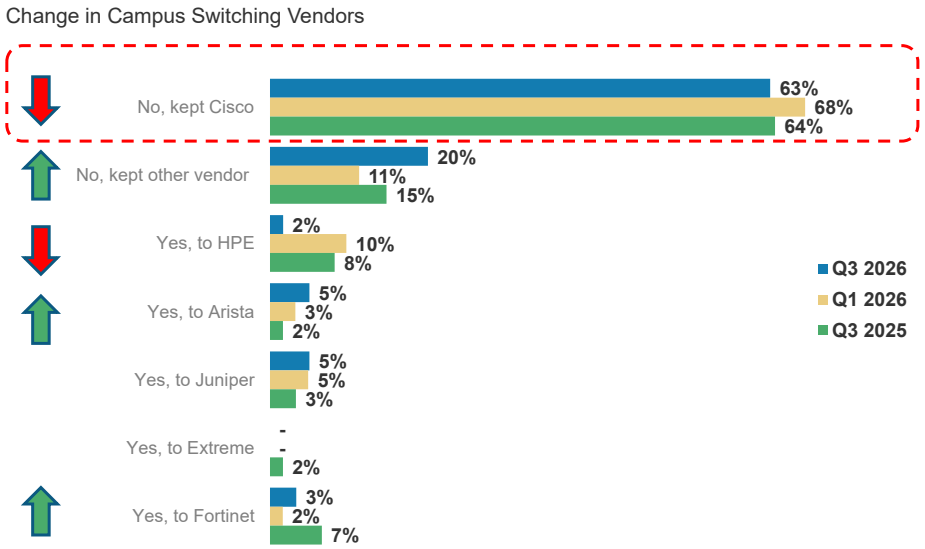


Source: AlphaWise, Morgan Stanley Research. n=58 (US and EU data)

- **Campus upgrade intentions improve modestly on a net basis.** 43% of CIOs plan to spend more over the next 12 months, versus 7% planning to spend less. Together, those responses produce a +36% net score, compared with +33% in 1Q26 and +22% in 3Q25.
- **Fewer planned reductions drive the improvement.** 7% of CIOs plan lower spending, compared with 12% previously, while 43% plan increases versus 45%. Another 40% expect spending in line with the prior year, and 10% plan no spending, up from 2%.
- **Campus refresh remains supportive for networking vendors.** Positive net intentions indicate continued demand, particularly for CSCO given its installed presence in the survey. Higher no-spend responses suggest that the improvement does not extend to every customer.

Did you switch campus switching vendors when you last upgraded or are you planning to change in the future?

Exhibit 112: Cisco Remains the Most Commonly Retained Campus Vendor at 63%, Down from 68%



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

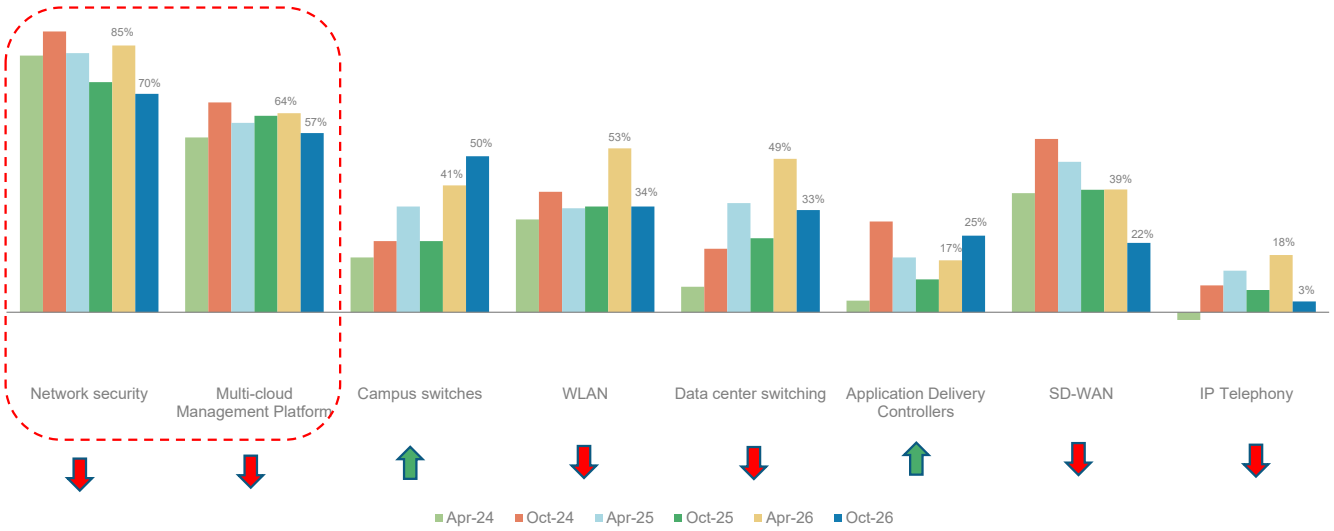
- **Cisco remains the most commonly retained campus vendor.** 63% of all respondents kept or plan to keep Cisco, versus 68% in 1Q26. Another 20% retain a different incumbent, taking overall vendor continuity to 83% from 79%.
- **Arista attracts modestly greater campus interest.** 5% of CIOs report switching or planning to switch to Arista, compared with 3% previously. Fortinet reaches 3% from 2%. Small response counts warrant caution, while the high overall retention rate supports incumbent stability.

Security and Multi-Cloud Still Lead; Campus Switching and ADC Intentions Improve

Over the next 12 months, what are your company's spending plans for each of the following areas within communications equipment/data networking?

Exhibit 113: Campus Switching and ADC Intentions Improve; Security Still Leads Despite Moderation

Expected Spending NTM (Net % of Respondents Reporting Increases)



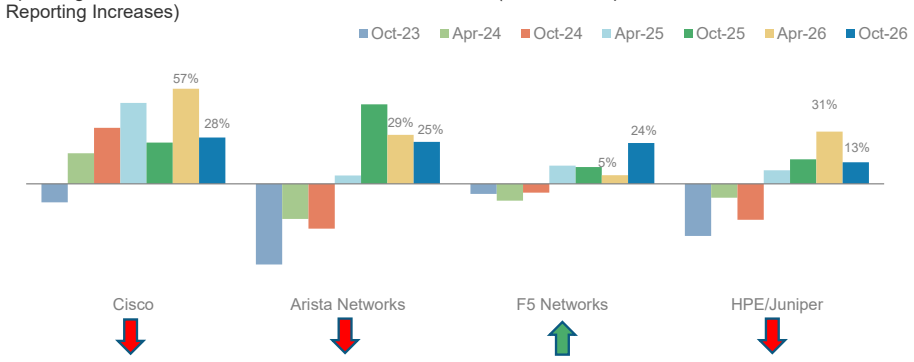
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

- **Security and multi-cloud management retain the strongest spending intentions.** Net scores among customers reach +70% for network security and +57% for multi-cloud management, compared with +85% and +64%. More customers still plan increases than reductions in both categories.
- Campus switching and ADCs improve sequentially. Customer net spend intentions rise to +50% from +41% for campus switching and to +25% from +17% for ADCs. Both categories provide positive signals for refresh and application-delivery demand.
- Other networking categories remain net positive at lower levels. Data center switching reaches +33% versus +49%, WLAN reaches +34% versus +53%, and SD-WAN reaches +22% versus +39%. Results point to continued investment, with less broad-based momentum than in 1Q26.

Over the next three years, does your company expect to spend more, less, or the same with the following vendors?

Exhibit 114: F5 Net Spend Intentions Rise to +24%, While Cisco and Arista Moderate to +28% and +25%

Spending More/Less/Same with Vendor Over Next 3 Years (Net % of Respondents Reporting Increases)

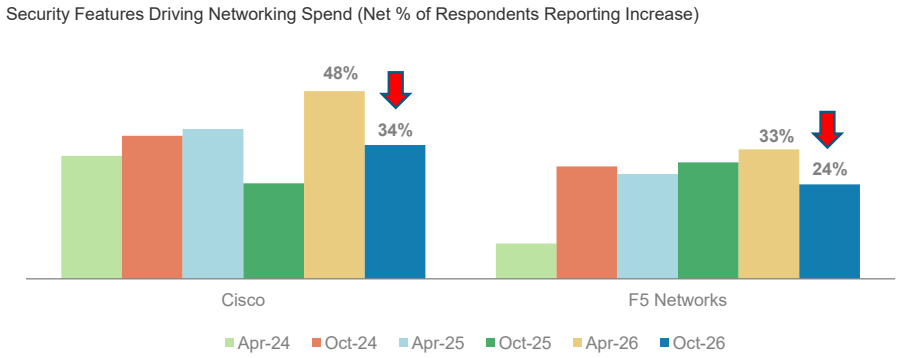


Source: AlphaWise, Morgan Stanley Research. n=58 (US and EU data)

- **Sample sizes differ materially by vendor.** All 58 respondents to this question buy from Cisco, versus 20 for Arista, 37 for F5 and 39 for HPE/Juniper. Vendor net scores exclude respondents who do not purchase from that vendor.
- Cisco retains the highest three-year net score at +28%, but declines from +57% in 1Q26. Arista moderates to +25% from +29%, and HPE/Juniper to +13% from +31%. All remain net positive, but improvement is not broad-based.
- F5 improves to +24% from +5%, with 12 of 37 customers planning to spend more, three planning to spend less, and 22 expecting unchanged spending. F5 posts the strongest sequential improvement among the vendors shown, although it is still based on a limited customer sample.

For each vendor, are security features influencing your spending plans?

Exhibit 115: Security-Driven Spending Intentions Moderate to +34% for Cisco and +24% for F5

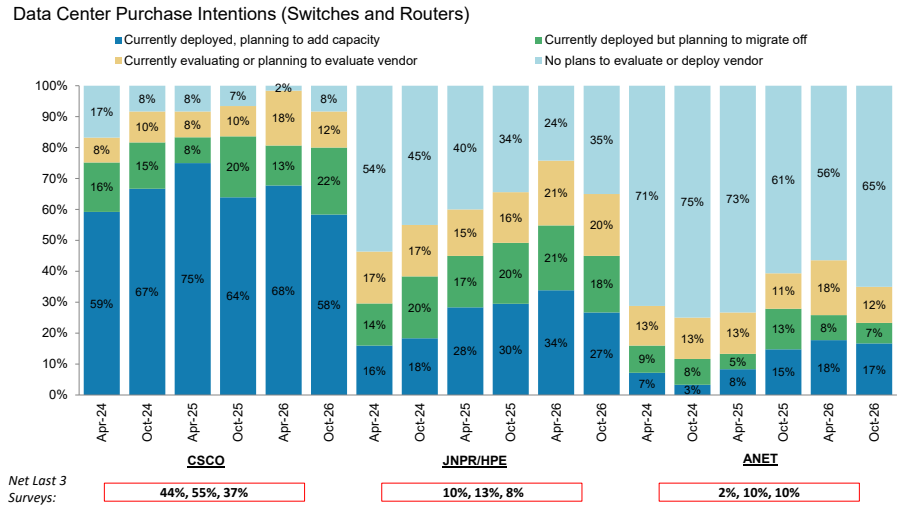


Source: AlphaWise, Morgan Stanley Research. n=58 (US and EU data)

- **Security features remain a positive influence on spending with both vendors.** Cisco's customer net score reaches +34%, compared with +48% in 1Q26, while F5 reaches +24% from +33%. Both readings remain positive, although security contributes less incremental purchasing intent than in the prior survey.

Over the next twelve months, what is your company's spending plan for data center equipment (i.e., switch or router) from each of the following vendors?

Exhibit 116: Data Center Purchase Intentions Remain Most Positive For CSCO, Although Weakened Sequentially

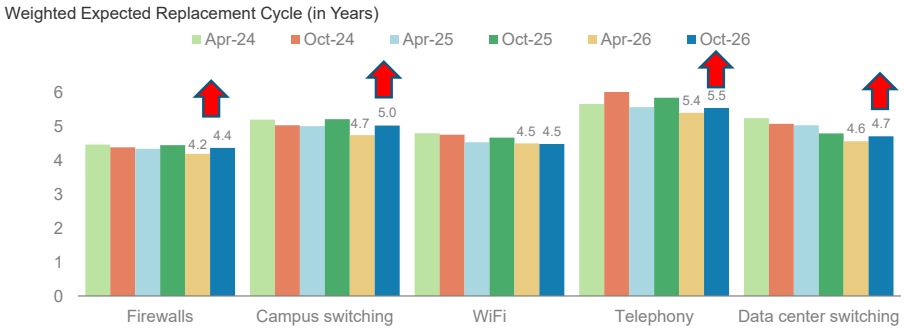


Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

- **Cisco retains the strongest capacity-addition plans within the sample.** 58% of all CIOs currently use Cisco and plan to add data center capacity, versus 22% planning to migrate away. Its net expansion score reaches +37%, below +55% in 1Q26.
- **Arista's net expansion score remains +10%.** 17% of respondents plan Arista capacity additions, while 7% plan to migrate away. Another 12% evaluate or plan to evaluate Arista, compared with 18% previously, indicating steady net expansion intentions but lower evaluation interest.
- **HPE/Juniper also retains a positive net expansion score.** 27% of CIOs plan additions and 18% plan migrations, producing an approximately +8% net score from +13%. These results describe enterprise plans within the survey, rather than market share.

Thinking about your company, what is the average replacement cycle for the following networking equipment?

Exhibit 117: Networking Refresh Cycles Extend Modestly, While WiFi Holds Steady



Source: AlphaWise, Morgan Stanley Research. n=62 (US and EU data)

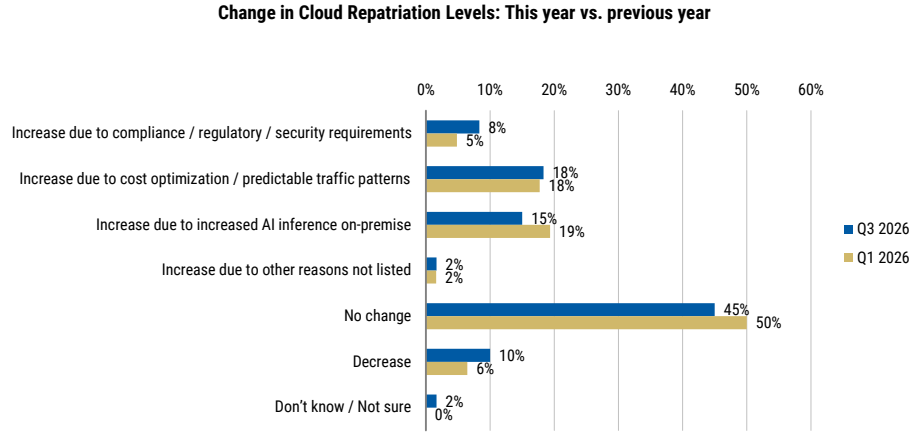
- **CIOs expect modestly longer replacement cycles for switching equipment.** Average campus switching cycles rise to 5.0 years from 4.7, while data center

switching increases to 4.7 years from 4.6. Longer cycles may spread refresh purchases over a wider period despite positive spending intentions.

- **Firewall replacement cycles also lengthen, while WiFi remains stable.** CIOs report an average 4.4-year cycle for firewalls, compared with 4.2 years previously. WiFi remains approximately 4.5 years, providing a more stable refresh cadence.

How do you expect the amount of workload repatriation from public cloud to on-premise to change in 2026 vs. 2025?

Exhibit 118: Cloud Repatriation Remains Broadly Stable, with Cost Optimization and AI Inference Driving Increased Activity

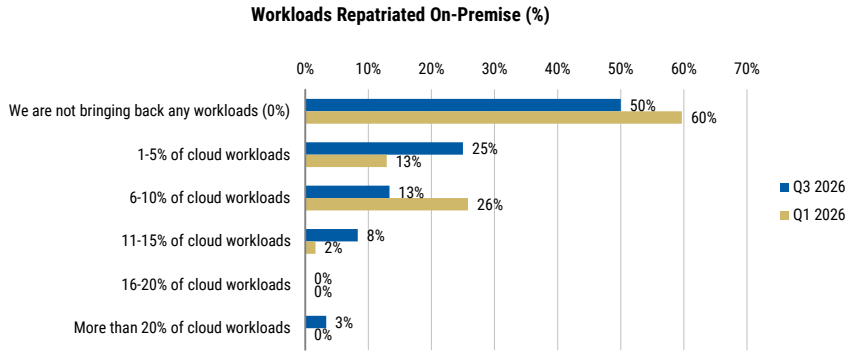


Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

- **CIOs continue to identify reasons to bring workloads back on-premise.** An aggregate 43% expect increased repatriation, broadly consistent with 44% in 1Q26. Another 45% expect no change in repatriation levels, and 10% expect a decrease.
- **Cost optimization remains the most common reason for increased repatriation.** 18% of all respondents cite cost or predictable traffic patterns, while 15% cite on-premise AI inference and 8% cite compliance, regulation or security. Results support targeted on-premise investment rather than a broad reversal of cloud adoption.

What % of your workloads are you bringing back on-premise?

Exhibit 119: Half of CIOs Are Not Repatriating Cloud Workloads, While Most Repatriation Remains Limited to 10% or Less



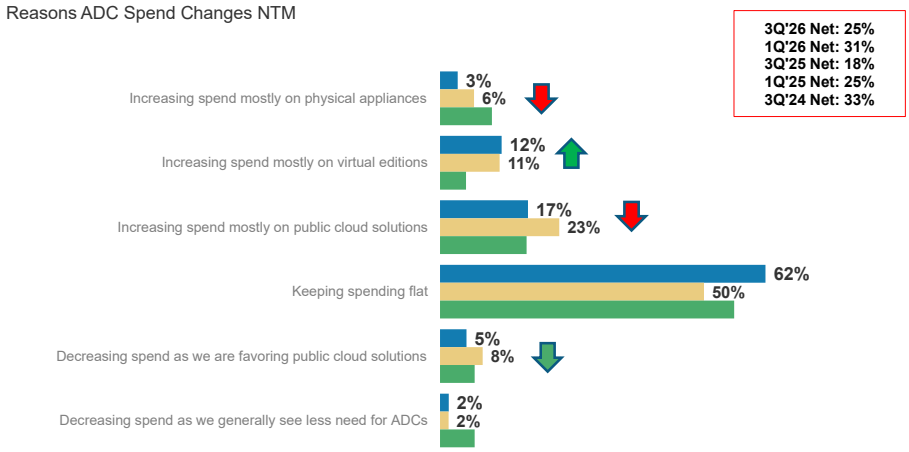
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

- **More CIOs report bringing at least some cloud workloads back on-premise.** Half of respondents repatriate workloads, compared with 40% in 1Q26. Among all CIOs, 25% bring back 1-5% of cloud workloads, up from 13%.
- **Most respondents keep repatriation volumes modest.** 12% of all CIOs bring back more than 10% of cloud workloads, while half bring back none. Broader participation provides incremental on-premise opportunities without indicating a wholesale change in cloud strategy.

ADC Intentions Remain Positive, with Stronger Preference for Traditional Vendors

If you plan on altering your company's spending plans on Application Delivery Controllers (ADC) over the next-twelve months, where is this spend primarily altering?

Exhibit 120: ADC Deployment-Mix Net Intentions Ease to +25%, with 62% Planning Flat Spending



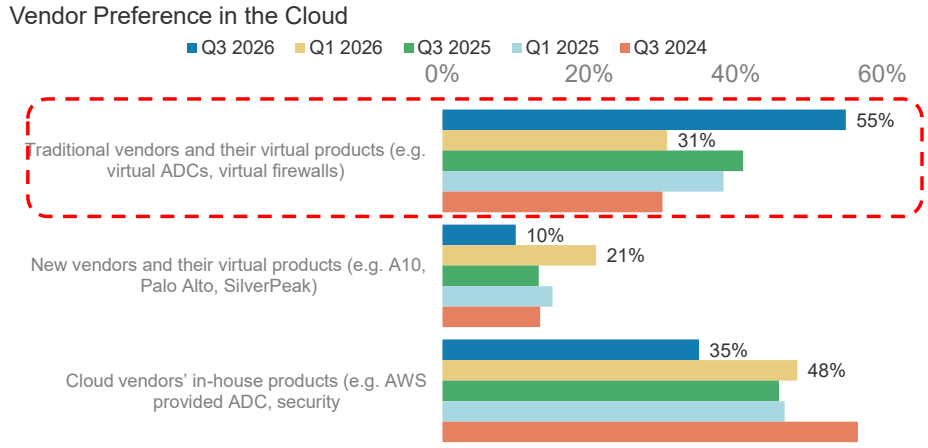
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

- **More CIOs plan ADC spending increases than reductions.** In this question, 32% plan to increase spending, 62% expect no change and 7% plan reductions. Net intentions of +25% moderate from +31% in 1Q26 but remain above +18% in 3Q25.
- **Cloud and virtual deployments account for most planned increases.** 17% of all

respondents plan higher spending mainly on public-cloud solutions, 12% on virtual editions and 3% on physical appliances. Unlike the broader category question, this question identifies the deployment choices behind spending changes. ADC net intentions improve in the broader question.

As you begin cloud transitions, which type of vendors and products are you typically looking at for ADC/load balancing and application security needs?

Exhibit 121: Traditional Vendors Gain Preference, Supporting F5



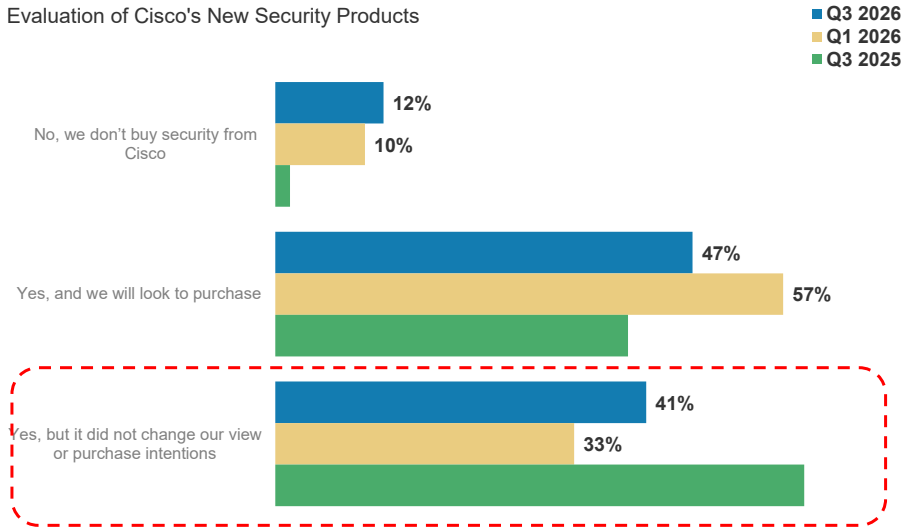
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

- **CIOs increasingly favor traditional vendors for ADC and application-security needs.** 55% consider traditional vendors and their virtual products during cloud transitions, up from 31% in 1Q26. Greater traditional-vendor preference supports FFIV's opportunity in hybrid environments.
- **Preference shifts away from cloud providers' in-house offerings.** 35% of CIOs favor those products, compared with 48% previously, while 10% favor new vendors versus 21%. Traditional suppliers gain relative consideration, though the survey does not measure subsequent purchasing.

Vendor Specific Results

Have you evaluated any of Cisco's new security products?

Exhibit 122: Spending intentions around CSCO Security products ticked down

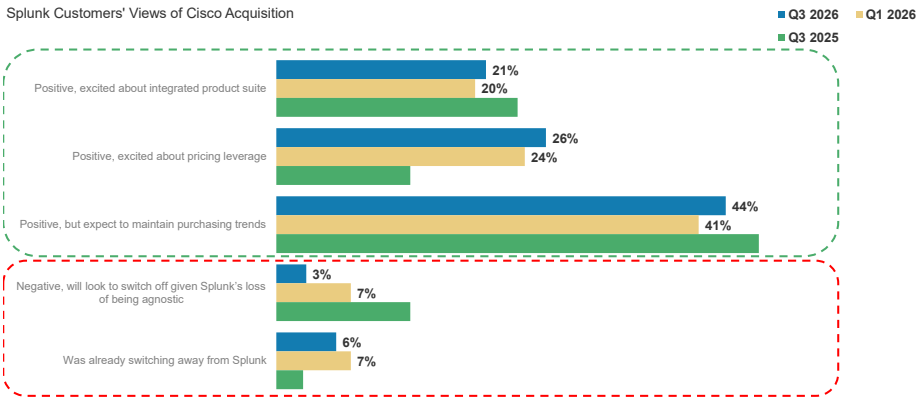


Source: AlphaWise, Morgan Stanley Research. n=58 (US and EU data)

- **Nearly half of respondents express purchase interest after evaluating new Cisco security products.** 47% intend to purchase, compared with 57% in 1Q26. Purchase interest remains supportive, although fewer respondents plan to buy than in the prior survey.
- **Other CIOs maintain their existing views and purchase plans.** 41% have evaluated the products without changing their intentions, versus 33% previously, and 12% do not buy security from Cisco. Continued evaluation provides an opportunity for Cisco to develop additional demand.

Are you a Splunk customer? If yes, what is your view of the Cisco acquisition?

Exhibit 123: Results on CSCO / Splunk Remain Positive, But CIOs Largely Not Changing Purchasing As A Result



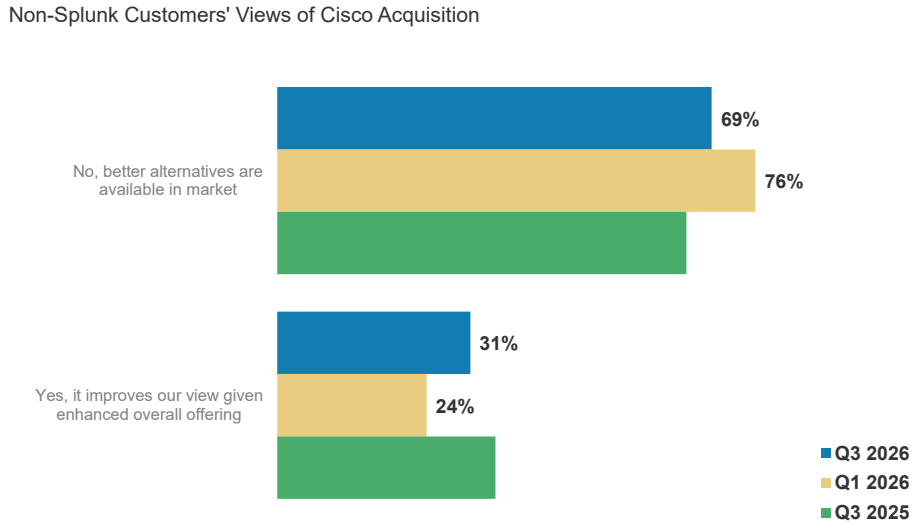
Source: AlphaWise, Morgan Stanley Research. n=34 (US and EU data)

- **Most Splunk customers continue to view Cisco's acquisition positively.** 44% of Splunk respondents are positive but expect to maintain purchasing trends, while 21% cite the integrated product suite and 26% cite pricing leverage as reasons for a positive view.
- **Fewer Splunk customers intend to move away.** 9% of Splunk respondents plan to leave because of the acquisition or had already planned to switch, compared with

15% in 1Q26. Lower exit intentions support a more favorable retention outlook for CSCO.

You said you are not a Splunk customer. Does the Cisco acquisition change your view?

Exhibit 124: Non-Splunk Customers Are More Receptive To the Acquisition

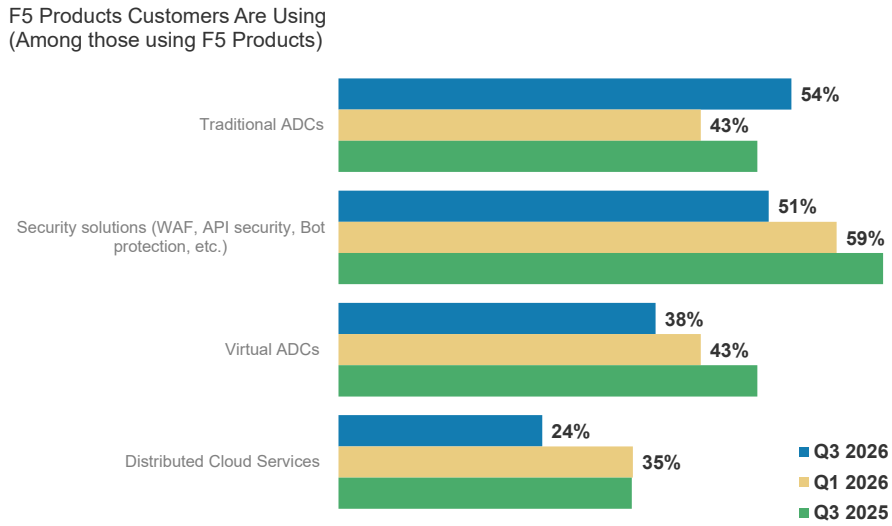


Source: AlphaWise, Morgan Stanley Research. n=26 (US and EU data)

- **More non-Splunk customers view the combined offering positively.** 31% of respondents indicate the enhanced offering improves their view, compared with 24% in 1Q26. Another 69% still see better alternatives, down from 76%, indicating incremental progress alongside a continued competitive opportunity for Cisco.

What products are you buying from F5?

Exhibit 125: Traditional ADC Usage Rises Among F5 Customers[

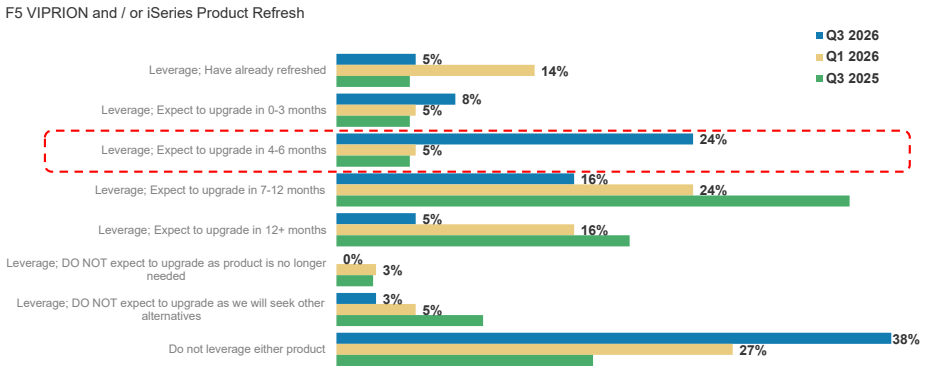


Source: AlphaWise, Morgan Stanley Research. n=37 (US and EU data)

- **Traditional ADCs become the most commonly used F5 product in the sample.** 54% of F5 customers use traditional ADCs, up from 43% in 1Q26. Security solutions remain prevalent at 51% of F5 customers, compared with 59% previously.

- **F5 retains a broader software and cloud footprint, though usage moderates.** 38% of F5 customers use virtual ADCs, versus 43%, and 24% use Distributed Cloud Services, versus 35%. Traditional ADC usage provides the clearest product-level improvement this wave.

Exhibit 126: Upcoming Refresh in 4-6 Months



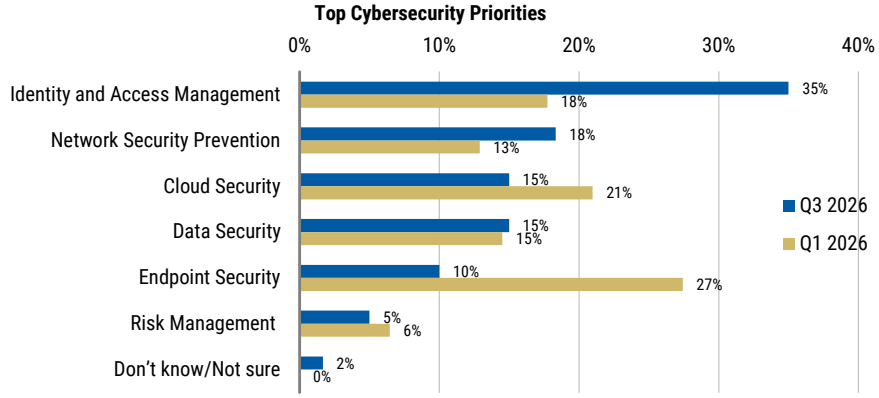
Source: AlphaWise, Morgan Stanley Research. n=37 (US and EU data)

- **Nearly half of F5 customers expect a VIPRION or iSeries upgrade within 12 months.** Eighteen of 37 customers, or 49%, plan a refresh, compared with 35% in 1Q26. Among all F5 respondents, 8% target 0-3 months, 24% target 4-6 months and 16% target 7-12 months.
- **F5 customers most often target upgrades in 4-6 months.** 5% of F5 respondents have already refreshed, while 38% use neither VIPRION nor iSeries. Upgrade timing supports an ongoing refresh opportunity. Percentages cover all F5 respondents, including customers who use neither product.

Identity Gains Priority Within Cybersecurity

What is your current cyber security priority?

Exhibit 127: Identity Leads Cybersecurity Priorities, with Network Security Gaining



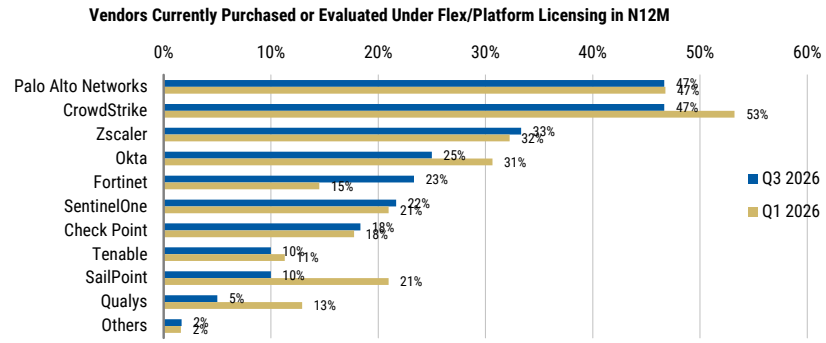
Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

- **Identity and access management becomes the leading cyber priority.** 35% of CIOs select identity, up from 18% in 1Q26. Network security prevention rises to 18% of respondents from 13%, indicating greater attention to both areas.

- **Other security needs remain relevant as relative priorities shift.** Data security holds at 15% of CIOs, while cloud security moderates to 15% from 21% and endpoint security to 10% from 27%. These responses identify the primary priority, not the growth rate of each security budget.

Which of the following vendors do you currently purchase under a platform/bundle or flexible/credit-based ("Flex") licensing model, or are you actively evaluating such options within the next 12 months?

Exhibit 128: PANW and CRWD Lead Platform Interest, While FTNT Improves

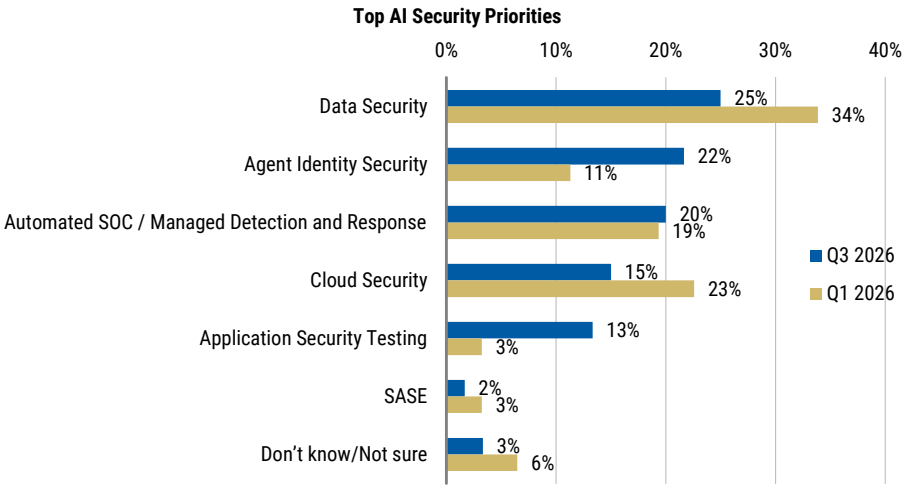


Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

- **PANW and CRWD lead platform purchasing or evaluation at 47% of CIOs each.** PANW remains broadly unchanged, while CRWD moderates from 53%. ZS follows at 33% of respondents, compared with 32%, supporting continued relevance for the larger platforms.
- **FTNT gains, while identity-vendor results remain mixed.** 23% of CIOs use or evaluate FTNT platform offerings, up from 15%. OKTA reaches 25% from 31%, and SailPoint reaches 10% from 21%.

What is your AI security priority?

Exhibit 129: Agent Identity and Application Security Gain AI Priority

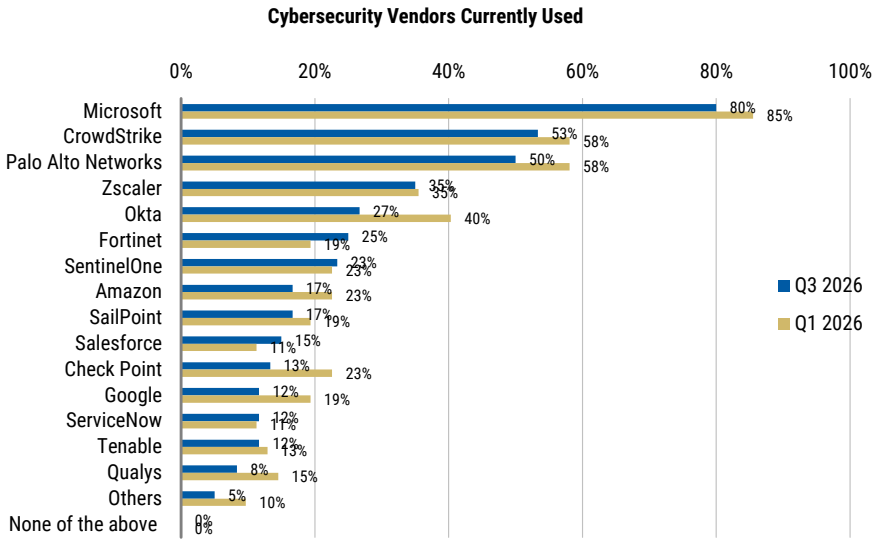


Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

- **Data security remains the top AI security priority, with identity gaining importance.** 25% of CIOs select data security, versus 34% in 1Q26. Agent identity rises to 22% from 11%, bringing it closer to the leading position.
- **CIOs increasingly prioritize application security testing.** 13% select it as their main AI security focus, up from 3%. Automated security operations and managed detection and response remain near 20%, while cloud security moderates to 15% from 23%, pointing to a broader mix of AI security requirements.

What vendors do you buy cybersecurity products from?

Exhibit 130: Microsoft Leads Cyber Usage, While Fortinet Gains Ground



Source: AlphaWise, Morgan Stanley Research. n=60 (US and EU data)

- **Microsoft remains the most widely used security vendor in the survey.** 80% of CIOs buy cybersecurity products from Microsoft, versus 85% in 1Q26. CRWD and PANW follow at 53% and 50%, respectively, compared with 58% each previously.
- **FTNT improves across current usage and platform interest.** 25% of CIOs use FTNT cybersecurity products, up from 19%, while ZS remains at 35%. OKTA usage moderates to 27% from 40%.

Morgan Stanley CIO Survey Demographics

This report contains the results of our CIO Survey. This survey was conducted by our legacy vendor through telephone and online interviews with 100 decision makers, representing 100 enterprise Information Technology organizations, from August 6th to September 8th, 2026. 76 of respondents are from the US and 24 from Europe. Survey respondents hold responsibility for purchasing, integrating and maintaining technology. Their responses represent enterprise customer adoption and purchasing behaviors for Q3 2026.

- **Hardware Domain** - We conducted online interviews with 60 respondents (45 US / 15 EU) through a new vendor who we started engaging since the first half of 2024, representing enterprise Information Technology organizations. Survey respondents hold responsibility for purchasing, integrating and maintaining hardware strategies. Interviews were conducted from August 19th to September 10th, 2026.
- **Networking Domain** - We conducted online interviews with 60 respondents (45 US / 15 EU) through a new vendor who we started engaging since the first half of 2024, representing enterprise Information Technology organizations. Survey respondents hold responsibility for purchasing, integrating and maintaining networking and communication-based strategies. Interviews were conducted from August 7th to August 26th, 2026.

Exhibit131: By Revenue

Revenue		
Total Respondents = 100		
$500 Million - $1 Billion	16	16%
$1-5 Billion	41	41%
$5-10 Billion	15	15%
$10-15 Billion	6	6%
$15-20 Billion	8	8%
>$20 Billion	14	14%

Source: AlphaWise, Morgan Stanley Research

Exhibit132: By Industry Vertical

Vertical		
Total Respondents = 100		
Aerospace / Defense	0	0%
Business services	1	1%
Communications	8	8%
Consumer Goods	2	2%
Education	8	8%
Energy	8	8%
Financial	11	11%
Healthcare	7	7%
Legal	2	2%
Manufacturing	14	14%
Pharmaceuticals	2	2%
Retail	7	7%
Services	8	8%
Technology	16	16%
Transportation	3	3%
Wholesale / Distribution	3	3%

Source: AlphaWise, Morgan Stanley Research

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(as of September 30, 2026)
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	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1599	43%	455	48%	28%	783	44%
Equal-weight/Hold	1563	42%	394	42%	25%	763	43%
Not-Rated/Hold	2	0%	1	0%	50%	1	0%
Underweight/Sell	570	15%	96	10%	17%	227	13%
Total	3,734		946			1774	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.
Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.
Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.
Underweight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.
Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

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Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.
In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.
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Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

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Adobe Inc. (ADBE.O)	U (07/21/2026)	$238.14
Atlassian Corporation PLC (TEAM.O)	O (01/13/2020)	$207.75
Intuit (INTU.O)	E (07/21/2026)	$305.99
Microsoft (MSFT.O)	O (07/21/2026)	$541.15

Salesforce, Inc. (CRM.N)	E (07/21/2026)	$233.92
Samsara Inc (IOT.N)	E (03/23/2023)	$41.62
ServiceNow Inc (NOW.N)	O (09/24/2025)	$140.32
Shopify Inc (SHOP.O)	O (04/19/2024)	$179.22
Workday Inc (WDAY.O)	U (07/21/2026)	$188.25
Chris Quintero		
BILL Holdings Inc (BILL.N)	E (06/10/2025)	$44.17
Blackline Inc (BL.O)	E (07/21/2026)	$29.30
Box Inc (BOX.N)	E (05/21/2024)	$36.71
CCC Intelligent Solutions Holdings Inc (CCC.O)	O (11/13/2024)	$7.59
Descartes Systems Group Inc (DSGX.O)	O (01/15/2026)	$83.67
DocuSign Inc (DOCU.O)	E (01/16/2024)	$70.97
Manhattan Associates Inc. (MANH.O)	O (10/11/2026)	$217.89
Navan Inc (NAVN.O)	O (11/24/2025)	$23.56
ServiceTitan Inc (TTAN.O)	O (01/20/2026)	$72.28
SPS Commerce Inc (SPSC.O)	U (07/21/2026)	$84.60
Vertex Inc. (VERX.O)	E (07/21/2026)	$12.90
Via Transportation Inc (VIA.N)	O (01/20/2026)	$32.48
Elizabeth Porter, CFA		
Amplitude Inc. (AMPL.O)	O (01/15/2026)	$15.53
Asana Inc (ASAN.N)	U (05/20/2025)	$9.89
Autodesk (ADSK.O)	O (08/23/2024)	$233.54
Figma Inc (FIG.N)	E (08/25/2025)	$21.96
Five9 Inc (FIVN.O)	E (10/10/2022)	$35.67
Freshworks Inc (FRSH.O)	E (10/18/2021)	$13.92
GoDaddy Inc (GDDY.N)	E (07/19/2021)	$102.32
HubSpot, Inc. (HUBS.N)	O (03/21/2023)	$223.37
Klaviyo, Inc (KVYO.N)	O (04/29/2026)	$17.11
Liveramp Holdings Inc (RAMP.N)	E (01/13/2025)	$37.51
monday.com Ltd (MNDY.O)	O (08/12/2025)	$84.76
NICE Ltd. (NICE.O)	E (07/21/2026)	$115.04
Octave Intelligence Plc (OCTV.O)	E (09/17/2026)	$20.53
RingCentral Inc (RNG.N)	E (08/08/2023)	$78.17
Sprinklr Inc (CXM.N)	E (07/19/2021)	$5.53
Sprout Social Inc (SPT.O)	E (11/17/2020)	$11.05
Toast, Inc. (TOST.N)	O (12/16/2021)	$31.32
Twilio Inc (TWLO.N)	O (02/24/2025)	$282.66
Wix.Com Ltd (WIX.O)	E (07/21/2026)	$74.17
Zeta Global Holdings Corp (ZETA.N)	E (08/01/2024)	$33.51
Zoom Communications (ZM.O)	E (10/11/2022)	$97.94
ZoomInfo Technologies Inc (GTM.O)	E (02/01/2024)	$3.88
Meryl R Thomas, CFA		
Lightspeed Commerce Inc. (LSPD.N)	E (02/18/2021)	$10.77
Meta A Marshall		
Check Point Software Technologies Ltd. (CHKP.O)	E (10/16/2023)	$134.32
CrowdStrike Holdings Inc (CRWD.O)	O (03/10/2026)	$263.01
Fortinet Inc. (FTNT.O)	E (07/21/2026)	$192.94
Gen Digital Inc. (GEN.O)	E (06/07/2024)	$23.35
Netskope, Inc. (NTSK.O)	O (10/13/2025)	$20.64
Okta, Inc. (OKTA.O)	O (12/02/2024)	$227.08
Palo Alto Networks Inc (PANW.O)	O (10/10/2017)	$403.83
Qualys Inc (QLYS.O)	U (02/09/2021)	$196.77
Rapid7 Inc (RPD.O)	U (07/21/2026)	$12.93
SailPoint Inc (SAIL.O)	O (09/02/2025)	$19.57

SentinelOne, Inc. (S.N)	E (12/02/2024)	$25.66
Tenable Holdings Inc (TENB.O)	E (12/02/2024)	$40.77
Varonis Systems, Inc. (VRNS.O)	E (01/26/2026)	$46.37
Zscaler Inc (ZS.O)	E (04/22/2026)	$225.78
Ryan Lountzis		
CoreWeave (CRWV.O)	E (04/22/2025)	$80.26
Nebius Group NV (NBIS.O)	E (01/15/2026)	$210.06
Sanjit K Singh		
Akamai Technologies, Inc. (AKAM.O)	O (01/12/2026)	$101.65
Appian Corp (APPN.O)	E (04/30/2026)	$38.93
C3.ai (AI.N)	U (01/04/2021)	$11.61
Cloudflare Inc (NET.N)	O (12/02/2024)	$350.87
Datadog, Inc. (DDOG.O)	O (01/12/2026)	$287.29
DigitalOcean Holdings Inc (DOCN.N)	O (01/16/2025)	$131.41
Dynatrace Inc (DT.N)	O (08/25/2026)	$65.25
Elastic NV (ESTC.N)	E (07/21/2026)	$95.52
GitLab Inc (GTLB.O)	E (01/12/2026)	$56.01
JFrog Ltd. (FROG.O)	E (07/21/2026)	$99.02
MongoDB Inc (MDB.O)	O (04/12/2023)	$381.29
Oracle Corporation (ORCL.N)	E (01/15/2019)	$137.39
PagerDuty, Inc. (PD.N)	U (07/21/2026)	$16.24
Palantir Technologies Inc. (PLTR.O)	E (02/04/2025)	$209.00
Snowflake Inc. (SNOW.N)	O (06/24/2025)	$360.37
UiPath Inc (PATH.N)	E (09/07/2022)	$13.32

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INDUSTRY COVERAGE: Telecom & Networking Equipment

COMPANY (TICKER)	RATING (AS OF)	PRICE* (10/12/2026)
Meta A Marshall		
Arista Networks (ANET.N)	O (10/31/2023)	$210.88
Axon Enterprise Inc (AXON.O)	O (12/03/2024)	$414.43
Ciena Corporation (CIEN.N)	E (10/10/2025)	$405.01
Cisco Systems Inc (CSCO.O)	O (04/08/2024)	$115.34
Coherent Corp (COHR.N)	E (12/13/2023)	$288.02
Corning Inc (GLW.N)	E (06/13/2024)	$147.28
F5 Inc (FFIV.O)	E (04/12/2022)	$473.49
Keysight Technologies Inc (KEYS.N)	O (07/13/2026)	$377.70
Lumentum Holdings Inc (LITE.O)	E (05/12/2021)	$995.41
Motorola Solutions Inc (MSI.N)	O (12/17/2025)	$446.33
Zebra Technologies Corporation (ZBRA.O)	E (12/02/2024)	$388.12

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INDUSTRY COVERAGE: Technology - Software & Services

COMPANY (TICKER)	RATING (AS OF)	PRICE* (10/12/2026)
Adam Wood		
SAP SE (SAP.N)	O (02/20/2026)	$217.85
SAP SE (SAPG.DE)	O (03/20/2020)	€194.46
George W Webb		
Amadeus IT Group, S.A. (AMA.MC)	O (04/10/2026)	€52.80
Capgemini (CAPP.PA)	E (02/19/2026)	€115.35

Dassault Systemes SA (DAST.PA)	E (03/17/2026)	€22.17
Hexagon AB (HEXAb.ST)		SKr 104.75
IONOS Group SE (IOSn.DE)	O (08/07/2026)	€33.46
Nemetschek SE (NEKG.DE)	E (07/13/2022)	€70.15
Netcompany Group A/S (NETCG.CO)	U (01/12/2026)	DKr 346.00
Sage (SGE.L)	O (12/08/2021)	1,085p
Mark Hyatt		
HBX Group International PLC (HBX.MC)	E (04/17/2026)	€7.42
Temenos Group AG (TEMN.S)	U (12/15/2017)	SFr 70.00
Tieto Oyj (TIETO.HE)	U (01/12/2026)	€18.51

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INDUSTRY COVERAGE: Internet

COMPANY (TICKER)	RATING (AS OF)	PRICE* (10/12/2026)
Brian Nowak, CFA		
Alphabet Inc. (GOOGL.O)	O (08/11/2015)	$352.72
Amazon.com Inc (AMZN.O)	O (04/24/2015)	$259.53
DoorDash Inc (DASH.O)	O (02/21/2024)	$194.24
Instacart (CART.O)	E (01/29/2024)	$47.83
Lyft Inc (LYFT.O)	E (10/24/2019)	$16.11
Meta Platforms Inc (META.O)	O (03/20/2023)	$742.96
Pinterest Inc (PINS.N)	O (07/20/2025)	$21.42
Reddit Inc (RDDT.N)	O (12/08/2024)	$159.93
Snap Inc. (SNAP.N)	E (07/22/2024)	$6.53
Uber Technologies Inc (UBER.N)	++	$71.50
Matthew Cost		
Airbnb Inc (ABNB.O)	E (09/16/2026)	$163.50
AppLovin Corp (APP.O)	O (04/10/2025)	$270.87
Booking Holdings Inc (BKNG.O)	O (02/23/2026)	$158.43
Compass, Inc. (COMP.N)	E (01/12/2026)	$8.82
Criteo SA (CRTO.O)	E (01/26/2016)	$15.35
DoubleVerify Holdings Inc (DV.N)	E (06/25/2024)	$13.52
Expedia Inc. (EXPE.O)	U (09/16/2026)	$268.47
Liftoff Mobile Inc. (LFTO.O)	E (06/29/2026)	$15.88
MNTN Inc (MNTN.N)	E (06/16/2025)	$9.90
Opendoor Technologies Inc (OPEN.O)	E (07/24/2023)	$2.09
Playtika Holding Corp (PLTK.O)	E (11/27/2022)	$2.23
Roblox Corporation (RBLX.N)	O (11/04/2024)	$49.58
Take-Two Interactive Software (TTWO.O)	O (02/01/2018)	$208.82
Trade Desk Inc (TTD.O)	E (09/10/2025)	$11.94
Unity Software Inc (U.N)	O (09/02/2024)	$46.68
Webtoon Entertainment Inc (WBTN.O)	E (07/22/2024)	$10.40
Yelp Inc (YELP.N)	U (01/10/2019)	$18.63
Zillow Group Inc (Z.O)	E (04/18/2018)	$27.84
Nathan Feather		
Bumble Inc. (BMBL.O)	E (03/08/2021)	$3.80
Chewy Inc (CHWY.N)	O (10/31/2023)	$19.50
Duolingo Inc (DUOL.O)	E (02/27/2026)	$147.74
eBay Inc (EBAY.O)	O (04/18/2024)	$114.65
Etsy Inc (ETSY.N)	E (07/20/2025)	$76.93
FIGS, Inc. (FIGS.N)	E (02/29/2024)	$17.74
Grindr Inc. (GRND.N)	O (07/01/2026)	$15.11
Match Group Inc (MTCH.O)	E (04/18/2024)	$41.52

Peloton Interactive, Inc. (PTON.O)	U (09/08/2026)	$5.14
Revolve Group Inc (RVLV.N)	E (10/20/2024)	$21.66
WW International Inc (WW.O)	E (08/01/2025)	$14.98

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INDUSTRY COVERAGE: IT Services

COMPANY (TICKER)	RATING (AS OF)	PRICE* (10/12/2026)
James E Faucette		
Accenture Plc (ACN.N)	E (06/15/2026)	$214.87
Cognizant Technology Solutions Corp (CTSH.O)	E (01/10/2022)	$59.68
DXC Technology Company (DXC.N)	E (01/29/2021)	$12.54
Endava PLC (DAVA.N)	E (01/24/2024)	$1.96
EPAM Systems Inc (EPAM.N)	E (04/26/2024)	$113.04
Kyndryl Holdings Inc (KD.N)	E (09/26/2025)	$11.78
TaskUs, Inc. (TASK.O)	E (09/08/2025)	$7.99

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INDUSTRY COVERAGE: IT Hardware

COMPANY (TICKER)	RATING (AS OF)	PRICE* (10/12/2026)
Erik W Woodring		
Apple, Inc. (AAPL.O)	O (05/26/2009)	$340.97
CDW Corporation (CDW.O)	O (06/23/2026)	$143.76
Cricut Inc (CRCT.O)	U (08/12/2021)	$6.48
Dell Technologies Inc. (DELL.N)	E (06/01/2026)	$576.76
Everpure, Inc. (P.N)	O (08/10/2026)	$155.31
Garmin Ltd (GRMN.N)	E (02/18/2026)	$266.76
GoPro Inc (GPRO.O)	U (12/12/2023)	$1.19
Hewlett Packard Enterprise (HPE.N)	O (08/10/2026)	$70.33
HP Inc. (HPQ.N)	U (11/16/2025)	$29.87
IBM (IBM.N)	E (01/18/2023)	$227.02
Ingram Micro (INGM.N)	E (06/11/2025)	$27.48
Kornit Digital Ltd. (KRNT.O)	E (11/06/2025)	$18.31
Logitech International SA (LOGI.O)	U (01/20/2026)	$98.33
NetApp Inc (NTAP.O)	E (08/10/2026)	$239.18
Resideo Technologies Inc (REZI.N)	O (08/11/2025)	$16.63
Seagate Technology (STX.O)	O (03/26/2024)	$753.25
SmartRent, Inc. (SMRT.N)	++	$1.15
Sonos Inc. (SONO.O)	E (11/06/2025)	$17.34
TD Synnex Corporation (SNX.N)	O (06/11/2025)	$273.06
Teradata (TDC.N)	E (08/10/2026)	$30.68
Western Digital (WDC.O)	O (04/16/2025)	$386.94
Sanjit K Singh		
Nutanix Inc (NTNX.O)	E (01/12/2026)	$74.14

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