

## Global Software

## “Gen AI will kill SaaS” narrative: growth shock priced in

Industry Overview

**SaaS multiple compression prices in full growth reversion**

The “GenAI will kill Software” narrative has strongly taken hold in the last 6 months, driving c.30% EV/EBITDA derating across global software. The space is now trading at 13.1x EV/EBITDA vs 5y average of 21x. Our EMEA coverage has seen forward PE compress 30% in the past 6 months from 28.5x to 19x, mirroring similar trend at US peers compressing 35% from 32.3x to 21x. With expected top line growth to 2027 in line with last 5 years average at 11%, the 35% multiple compression reflects purely lower long term growth expectations. EMEA software now trades at PEG ratios of c1.7x, below 1.8x for the broader European market. Although we believe some segments of the tech ecosystem are bound to be profoundly impacted by Gen AI, we see current levels as attractive for stocks like Buy-rated SAP with strong moats and potential AI upside (both top line and bottom line) – see [SAP SE: 25 for 2026: demonstrating the AI opportunity](#).

**SAP illustration: growth shock priced in**

We run a reversed DCF model to understand what is priced in at the current share price, with SAP now trading on 20.7x 2027 PE, down from 34x a year ago. Assuming no changes to our current 2026-2030 forecasts (c. 11% revenue CAGR, c. 15% EBIT CAGR), we estimate the current share price reflects -3% revenue CAGR post 2030, a 14% reduction to 2035, driving a 20% EBIT decline. This would require both a pick up in churn from existing customers (which we view as unlikely) and a stop to the on-premise to cloud migration, which remains less than half way completed.

**Software now in AI loser baskets...**

The bear thesis is three fold: **1/ new tools:** companies will use new tools to address their technology needs, including from OpenAI Codex, Anthropic (Claude CoWork) or vibe coding providers (Cursor, Lovable, Replit, Bolt AI etc), **2/ new competition:** lower barrier to entry on coding & software creation will generate both additional competition and price pressure, **3/ risk to seat based pricing model** on GenAI productivity.

**.. but we are more selective**

Software companies are not equal in front of AI risks. Deep domain expertise and business integration are hard for new entrants to replicate, making complex, mission-critical platforms like SAP and DSY less vulnerable as they embed GenAI using proprietary customer data. Highly regulated, complex, and low-churn industries (banking, construction, manufacturing, ERP) remain difficult to disrupt. In addition, we believe innovative software incumbents are best positioned to build high-value AI agents by leveraging their proprietary datasets—something general LLMs cannot access. As SaaS providers pivot to AI-first offerings, we see increasing upside from monetization through new products and services. SAP for instance embeds Business AI at the core of its strategy with >50% cloud bookings consuming AI, while Sage enjoyed 1pp pricing upside from AI features in 2025, with more upside ahead on its Intacct Copilot.

>> Employed by a non-US affiliate of BofAS and is not registered/qualified as a research analyst under the FINRA rules.

Refer to "Other Important Disclosures" for information on certain BofA Securities entities that take responsibility for the information herein in particular jurisdictions.

**BofA Securities does and seeks to do business with issuers covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.**

**Refer to important disclosures on page 20 to 23. Analyst Certification on page 19. Price Objective Basis/Risk on page 14.**

04 February 2026

Equity  
Europe  
Software

**Frederic Boulan, CFA >>**  
Research Analyst  
MLI (UK)  
+44 20 7995 7101  
[frederic.boulan@bofa.com](mailto:frederic.boulan@bofa.com)

**Aditya Buddhavarapu, CFA >>**  
Research Analyst  
MLI (UK)  
+44 20 7995 7318  
[aditya.buddhavarapu@bofa.com](mailto:aditya.buddhavarapu@bofa.com)

**Victor Cheng, CFA >>**  
Research Analyst  
MLI (UK)  
+44 20 7996 0272  
[victor.cheng@bofa.com](mailto:victor.cheng@bofa.com)

**Carla Courthial >>**  
Research Analyst  
MLI (UK)  
44 77 6120 0059  
[carla.courthial@bofa.com](mailto:carla.courthial@bofa.com)

# AI Bull vs Bear

## Software now in AI loser baskets...

The Software space has seen a 12% derating in 2025, followed by an additional 15% drop YTD, largely explained by increasing concerns on Gen AI impact (competition, business model risk). Gen AI is accelerating a shift in business models across software and IT services. The bear thesis is threefold:

- 1/ new tools:** companies will use new tools to address their Technology needs, including from OpenAI Codex, Anthropic (Claude CoWork) or vibe coding providers (Lovable, Replit, Bolt, Cursor AI etc),
- 2/ new competition:** lower barrier to entry on coding & software creation will generate both additional competition and price competition,
- 3/ risk to seat-based pricing model** on more efficient GenAI tools. The concern is that seat-based pricing will face mid-term pressure as productivity gains reduce user counts, forcing vendors toward value or outcome-based models.

The bigger risk lies in simpler apps as lower coding costs could drive new entrants, while ERP and PLM remain protected by data moats, long development cycles, and deep integration.

## What are the mitigating factors?

We believe those risks are all credible long term, however we see a number of differentiating factors across software providers. We see the delivery of domain expertise with deep business integration as difficult to replicate for newcomers. Cannibalization by agentic AI is less of a threat for complex, mission-critical platforms like SAP and Dassault Systemes, which are embedding Gen AI to enhance workflows leveraging on proprietary customer data. The bigger risk lies in simpler apps as lower coding costs could drive new entrants. Industries with high regulatory and compliance requirements (think Banking, Construction, Manufacturing etc), complex underlying regulation (country-based tax / HR regulation) and low churn (ERP) will be harder to disrupt in our view.

## The AI bull case

We believe innovative software incumbents are ideally placed to leverage their existing data sets to develop agents offering the most valuable insights to their customers. General LLMs are powerful tools to develop software, however lack access to proprietary customer data, including transaction flow, design and modelling etc that are necessary to develop relevant features. In the coming years, we expect existing SaaS providers to fully switch their offering to an AI first experience. We expect Generative AI to evolve from production to adoption phase, with more product launches or dedicated services paving the way for monetization.

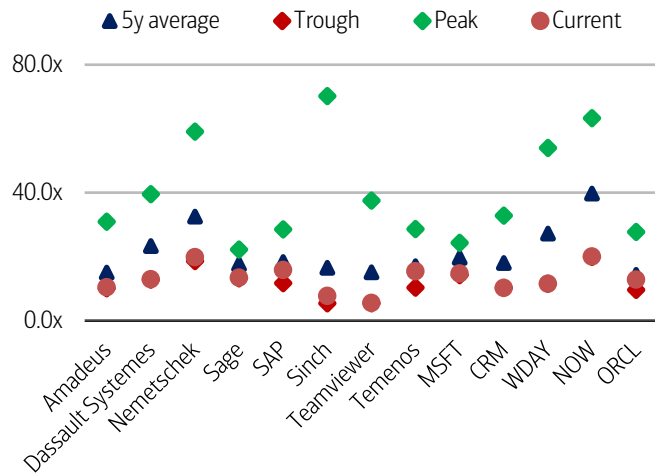
SAP has made Business AI the core of its product strategy, with benefits expected both on top line (>50% cloud backlog including AI) and costs (€2bn cost savings target by 2028), Sage has seen c1pp growth benefit at the group level in 2025 from initial AI pricing increases in the UK and has recently launched its Intacct AI Copilots.



# Valuation sensitivity

**Exhibit 1: Software EV/EBITDA multiples trade below 5 year average, close to trough levels...**

Global software EV/EBITDA multiples, past 5 years - unadjusted

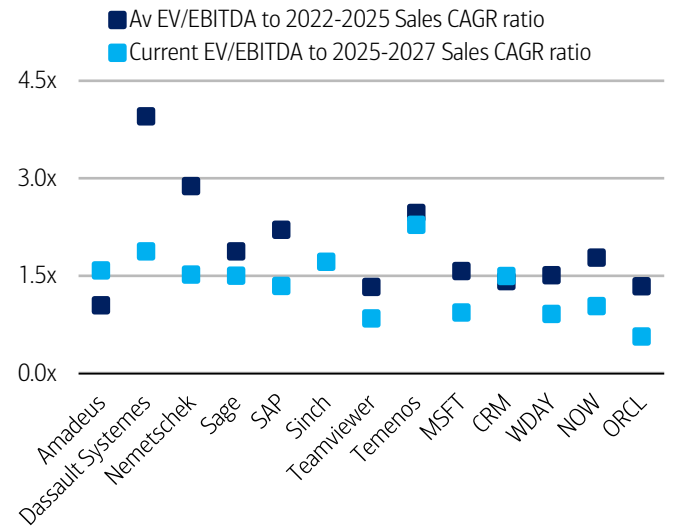


Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

**Exhibit 2: despite projected topline growth similar to historical levels**

EV/EBITDA to sales CAGR ratio, historical (5y average EV/EBITDA to 2022-2025 sales CAGR) vs projected (Current EV/EBITDA to 2025-2027 sales CAGR) - unadjusted

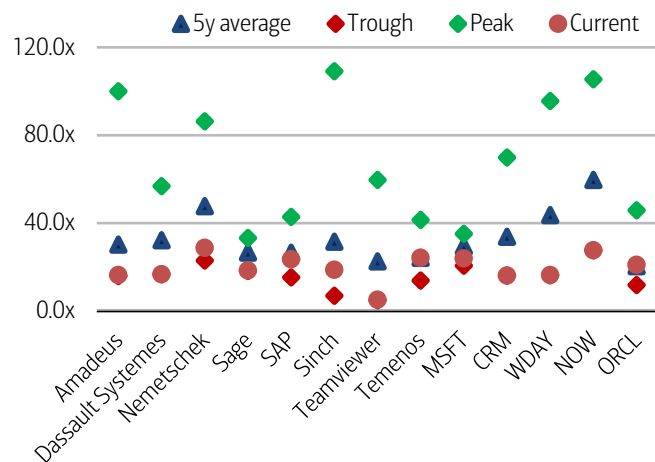


Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

**Exhibit 3: Current P/E multiples are below 5 year average**

Global software P/E multiples, past 5 years

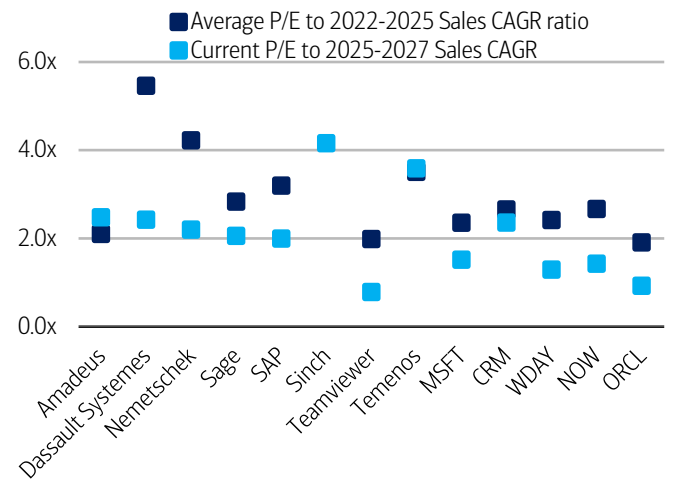


Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

**Exhibit 4: with P/E to growth ratios 26% below averages**

P/E to sales CAGR ratio, historical (5y average P/E to 2022-2025 sales CAGR) vs projected (Current P/E to 2025-2027 sales CAGR)



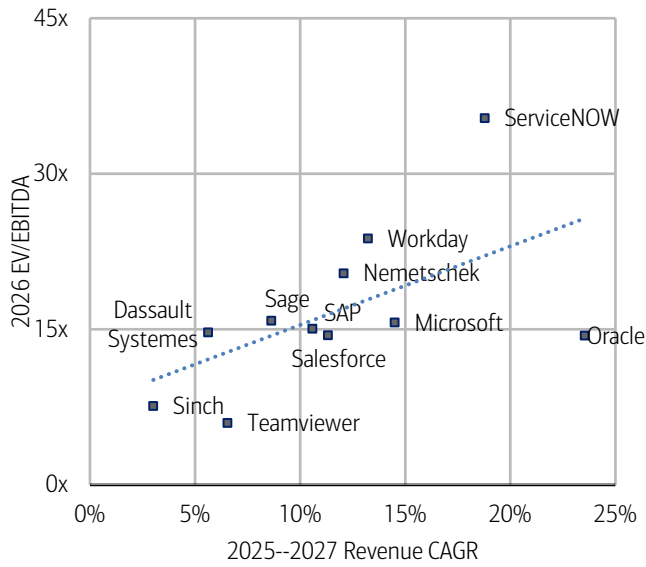
Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH



**Exhibit 5: EMEA software at a discount for lower growth on EV/EBITDA ...**

Global Software Peers 2026E EV/EBITDA Multiples, adjusted for share based compensation

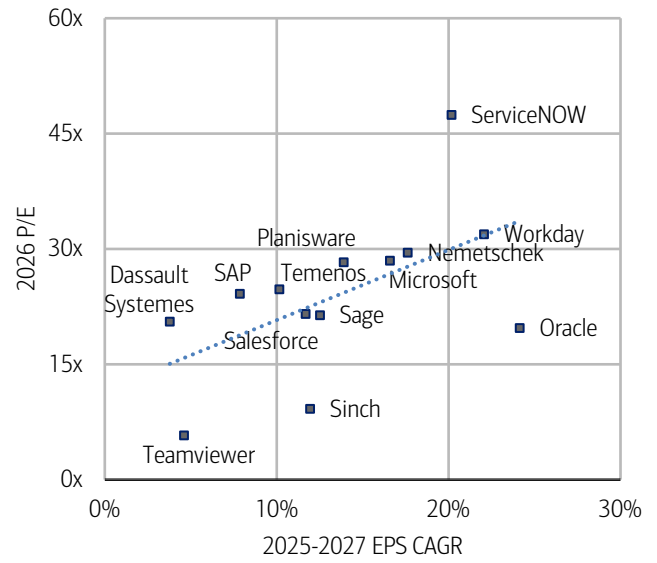


Source: BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 6: ...and PE**

Global Software Peers 2026E P/E Multiples, adjusted for share based compensation



Source: BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 11: Global software is now trading at 13.1x EV/EBITDA, 36% below 5y average of 21.1x**

EV/EBITDA multiples across global software names

Stocks	EV/EBITDA												
	5y average EV/EBITDA	5y low EV/EBITDA	5y high EV/EBITDA	Current EV/EBITDA	6 months ago EV/EBITDA	Current vs 5y peak	Current vs 5y average	Current vs 6 months ago	2022-2025 Sales CAGR	2025-2027 Sales CAGR	Av EV/EBITDA to 2022-2025 Sales CAGR ratio	Current EV/EBITDA to 2025-2027 Sales CAGR ratio	
Amadeus	15.0x	10.1x	30.9x	10.4x	12.6x	-66.3%	-30.7%	-17.5%	14.4%	6.6%	1.0x	1.6x	
Dassault Systemes	23.3x	12.8x	39.5x	12.9x	15.3x	-67.3%	-44.6%	-15.7%	5.9%	6.9%	3.9x	1.9x	
Nemetschek	32.5x	18.6x	59.1x	19.8x	37.7x	-66.5%	-39.1%	-47.5%	11.3%	13.1%	2.9x	1.5x	
Sage	17.6x	13.2x	22.2x	13.4x	17.4x	-39.6%	-23.9%	-23.0%	9.4%	8.9%	1.9x	1.5x	
SAP	18.3x	11.7x	28.5x	15.8x	23.6x	-44.6%	-13.7%	-33.1%	8.3%	11.8%	2.2x	1.3x	
Sinich	16.5x	5.4x	70.2x	7.7x	9.6x	-89.0%	-53.3%	-19.8%	0.6%	4.5%	nm	1.7x	
Teamviewer	15.1x	5.4x	37.5x	5.5x	7.9x	-85.3%	-63.6%	-30.5%	11.4%	6.5%	1.3x	0.8x	
Temenos	17.0x	10.3x	28.6x	15.4x	16.7x	-46.2%	-9.4%	-7.8%	6.9%	6.7%	2.5x	2.3x	
<b>EMEA average</b>	<b>19.4x</b>	<b>10.9x</b>	<b>39.6x</b>	<b>12.6x</b>	<b>17.6x</b>	<b>-63.1%</b>	<b>-34.8%</b>	<b>-24.3%</b>	<b>8.5%</b>	<b>8.1%</b>	<b>2.3x</b>	<b>1.6x</b>	
MSFT	19.6x	14.2x	24.3x	14.7x	20.6x	-39.5%	-25.0%	-28.6%	12.5%	15.8%	1.6x	0.9x	
CRM	18.0x	10.2x	32.8x	10.2x	13.2x	-68.9%	-43.3%	-22.7%	12.7%	6.8%	1.4x	1.5x	
WDAY	27.2x	11.5x	54.0x	11.5x	16.3x	-78.7%	-57.7%	-29.4%	18.1%	12.7%	1.5x	0.9x	
NOW	39.7x	19.9x	63.3x	20.0x	35.8x	-68.4%	-49.6%	-44.1%	22.4%	19.4%	1.8x	1.0x	
ORCL	14.3x	9.6x	27.7x	12.8x	21.4x	-53.8%	-10.5%	-40.2%	10.7%	22.8%	1.3x	0.6x	
<b>US average</b>	<b>23.8x</b>	<b>13.1x</b>	<b>40.4x</b>	<b>13.8x</b>	<b>21.5x</b>	<b>-61.9%</b>	<b>-37.2%</b>	<b>-33.0%</b>	<b>15.3%</b>	<b>15.5%</b>	<b>1.6x</b>	<b>0.9x</b>	
<b>Total average</b>	<b>21.1x</b>	<b>11.8x</b>	<b>39.9x</b>	<b>13.1x</b>	<b>19.1x</b>	<b>-62.6%</b>	<b>-35.7%</b>	<b>-27.7%</b>	<b>11.1%</b>	<b>11.0%</b>	<b>1.9x</b>	<b>1.2x</b>	

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH



**Exhibit 12: 30% PE compression in 6m in EMEA, 33% in the US**

P/E multiples across global software names

Stocks	P/E						P/E		Sales CAGR		Average P/E to	Current P/E to
	5y average P/E	5y low P/E	5y high P/E	Current P/E	6 months ago P/E	Current vs 5y peak	Current vs 5y average	Current vs 6 months ago	2022-2025 Sales CAGR	2025-2027 Sales CAGR	2022-2025 Sales CAGR ratio	2025-2027 Sales CAGR
Amadeus	30.2x	15.9x	100.0x	16.3x	22.3x	-83.7%	-46.0%	-26.9%	14.4%	6.6%	2.1x	2.5x
Dassault Systemes	32.2x	16.7x	56.8x	16.7x	20.1x	-70.6%	-48.1%	-16.9%	5.9%	6.9%	5.5x	2.4x
Nemetschek	47.7x	22.9x	86.3x	28.7x	55.9x	-66.7%	-39.8%	-48.7%	11.3%	13.1%	4.2x	2.2x
Sage	26.6x	18.2x	33.2x	18.4x	25.7x	-44.6%	-30.8%	-28.4%	9.4%	8.9%	2.8x	2.1x
SAP	26.5x	15.3x	42.8x	23.5x	35.8x	-45.1%	-11.3%	-34.4%	8.3%	11.8%	3.2x	2.0x
Sinch	31.5x	6.9x	109.1x	18.7x	36.9x	-82.9%	-40.6%	-49.4%	0.6%	4.5%	52.5x	4.2x
Teamviewer	22.6x	4.9x	59.6x	5.1x	8.3x	-91.4%	-77.4%	-38.8%	11.4%	6.5%	2.0x	0.8x
Temenos	24.2x	13.8x	41.4x	24.2x	22.7x	-41.5%	0.0%	6.5%	6.9%	6.7%	3.5x	3.6x
<b>EMEA average</b>	<b>30.2x</b>	<b>14.3x</b>	<b>66.2x</b>	<b>19.0x</b>	<b>28.5x</b>	<b>-65.8%</b>	<b>-36.8%</b>	<b>-29.6%</b>	<b>8.5%</b>	<b>8.1%</b>	<b>9.5x</b>	<b>2.5x</b>
MSFT	29.4x	20.6x	35.1x	23.9x	33.4x	-31.9%	-18.7%	-28.4%	12.5%	15.8%	2.4x	1.5x
CRM	33.8x	16.1x	69.8x	16.1x	20.9x	-76.9%	-52.4%	-23.0%	12.7%	6.8%	2.7x	2.4x
WDAY	43.6x	16.2x	95.5x	16.3x	23.4x	-82.9%	-62.6%	-30.3%	18.1%	12.7%	2.4x	1.3x
NOW	59.6x	27.6x	105.4x	27.6x	48.9x	-73.8%	-53.7%	-43.6%	22.4%	19.4%	2.7x	1.4x
ORCL	20.4x	11.8x	45.8x	21.0x	34.7x	-54.1%	2.9%	-39.5%	10.7%	22.8%	1.9x	0.9x
<b>US average</b>	<b>37.4x</b>	<b>18.5x</b>	<b>70.3x</b>	<b>21.0x</b>	<b>32.3x</b>	<b>-63.9%</b>	<b>-36.9%</b>	<b>-33.0%</b>	<b>15.3%</b>	<b>15.5%</b>	<b>2.4x</b>	<b>1.5x</b>
<b>Total average</b>	<b>32.9x</b>	<b>15.9x</b>	<b>67.8x</b>	<b>19.7x</b>	<b>29.9x</b>	<b>-65.1%</b>	<b>-36.8%</b>	<b>-30.9%</b>	<b>11.1%</b>	<b>11.0%</b>	<b>6.8x</b>	<b>2.1x</b>

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

**Exhibit 9: MSCI Europe Software P/E back to 10y average level**

MSCI Europe Software P/E vs. average – 10 year – trading at 27.1x

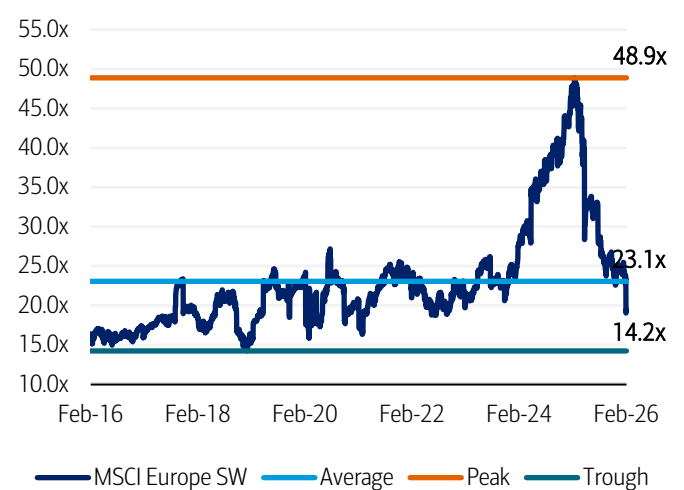


Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

**Exhibit 10: MSCI Europe Software EV/EBITDA 16% below 10y average**

MSCI Europe Software EV/EBITDA vs. average – 10 year – trading at 19.5x



Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH



**Exhibit 15: European Tech: highest valuation, fastest growth**

## Europe Sector Valuation

	EV/EBITDA			FCF yield			P/E			DY (%)			2024-27 CAGR(%)				Sales growth (%)		
	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E	Sales	EBITDA	EPS	Dividend	2024	2025E	2026E
Stoxx 600	9.3	9.2	8.5	5.5	4.6	5.2	16.5	16.3	14.5	2.9	3.1	3.4	3.2	4.1	8.1	7.3	-1.0	1.5	3.6
<b>Industrials</b>																			
Basic Resources	5.8	7.1	6.0	4.5	2.8	4.9	15.0	17.5	13.2	3.1	3.0	3.6	1.5	5.0	8.6	11.6	0.8	-0.8	2.6
Construction Materials	8.9	9.2	8.5	7.3	5.5	6.2	16.5	18.6	16.7	2.7	2.5	2.8	2.0	3.0	3.4	3.8	4.2	0.7	3.7
Chemicals	11.7	9.9	9.3	3.8	4.4	5.5	18.0	19.2	17.4	3.0	3.1	3.3	0.7	3.7	5.1	4.9	-3.0	-2.9	1.6
Industrial goods & svs	10.9	12.9	11.6	4.5	4.1	4.7	24.7	22.9	20.5	1.9	2.0	2.2	5.1	7.6	11.2	8.6	3.4	2.9	6.0
<b>Consumers</b>																			
Autos	4.8	1.9	1.4	4.1	3.6	7.2	8.3	29.6	8.8	4.5	3.4	4.1	0.8	-1.6	3.4	2.4	-1.5	-3.1	1.9
Media	10.3	9.2	8.6	7.0	6.5	8.0	13.0	14.3	13.5	3.5	3.3	3.5	1.6	1.5	1.7	3.4	-1.8	-2.5	2.8
Retail	9.6	8.9	8.2	9.6	5.7	6.7	20.2	19.2	17.3	3.1	3.3	3.4	5.2	6.5	8.9	5.9	1.1	4.9	5.7
Travel & Leisure	7.0	6.8	6.2	8.1	6.5	7.6	13.8	11.9	10.7	2.4	2.6	2.9	4.6	8.4	13.2	11.2	8.5	5.3	3.8
Consumer prd&svs	14.5	14.4	12.9	4.2	3.7	3.7	28.2	29.1	24.8	1.9	1.9	2.1	5.3	6.9	9.4	7.2	4.6	3.8	5.1
Pers Care Drg & Grc St	9.2	9.2	8.7	7.4	5.9	6.1	16.6	16.5	15.2	3.3	3.5	3.7	2.7	3.1	5.5	5.4	2.2	2.1	2.6
<b>Defensives</b>																			
Telecoms	6.5	6.6	6.3	13.3	10.0	10.3	15.8	16.3	14.1	3.9	4.3	4.6	1.5	3.5	7.5	8.1	-1.8	0.6	1.0
Healthcare	10.4	11.6	10.7	4.8	4.4	5.1	18.6	16.9	15.7	2.2	2.4	2.5	5.2	6.7	9.0	6.6	5.5	5.5	4.6
Utilities	7.2	9.2	8.9	-0.3	-0.7	-1.0	14.9	14.9	14.2	4.1	4.2	4.4	2.4	3.8	3.7	3.9	-12.4	2.1	1.7
Food Bev & Tobacco	10.4	10.8	10.0	6.5	5.2	6.4	15.1	15.8	14.7	3.8	3.9	4.0	2.4	2.7	3.5	3.5	-0.2	0.8	2.9
<b>Others</b>																			
Energy	3.6	4.7	4.7	10.4	8.2	8.0	11.6	12.3	11.6	4.1	4.4	4.8	0.6	-1.7	4.9	7.1	-6.8	-2.8	-0.8
Technology	47.7	19.9	17.9	3.3	2.8	3.4	31.4	28.0	24.8	1.1	1.1	1.3	7.7	12.3	14.9	10.4	1.1	5.7	7.6
<b>Financials</b>																			
Insurance	-	-	-	12.2	7.2	7.3	14.2	12.3	11.6	4.3	4.8	5.2	5.5	7.5	9.7	8.5	-10.4	5.2	5.5
Banks	-	-	-	-	-	-	11.1	10.5	9.5	4.2	4.6	5.2	3.7	-11.4	8.9	9.8	4.9	3.1	3.8
Financial Svs	-	-	-	4.6	5.1	5.6	14.1	14.2	12.1	2.7	3.0	3.2	5.3	7.4	10.7	8.2	13.1	4.9	4.8

Source: BofA Global Research estimates, Bloomberg

BofA GLOBAL RESEARCH

**Exhibit 16: European Software, IT Services & Payments coverage multiples**

## Coverage key valuation multiples and mid-term growth forecasts

	EV/Sales (x)			BofA EV/EBITDA (x)				BofA P/E (x)			FCF yield (%)			CY25-27 CAGR (%)			
	2026E	2027E	2028E	2025E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	Sales	EBITDA	EPS	FCF
<b>European Software</b>																	
Dassault Systemes	4.6x	4.2x	3.9x	16.2x	14.7x	13.5x	12.4x	20.5x	19.1x	17.4x	4.1%	4.4%	5.0%	6%	9%	4%	10%
Nemetschek	6.5x	5.8x	5.2x	23.5x	20.4x	17.8x	15.7x	29.5x	24.7x	21.2x	4.1%	4.6%	5.2%	12%	15%	18%	11%
Planisware	5.6x	4.8x	4.3x	17.1x	15.4x	13.1x	11.4x	28.3x	23.9x	20.5x	3.9%	4.6%	5.2%	13%	14%	14%	12%
Sage	4.2x	3.9x	-	17.7x	15.8x	14.2x	-	21.4x	19.0x	-	4.5%	5.2%	-	9%	11%	13%	12%
SAP	4.8x	4.3x	3.8x	16.4x	15.1x	13.0x	11.3x	24.2x	20.8x	18.0x	4.5%	4.8%	5.6%	12%	16%	16%	13%
Sinch	1.0x	0.9x	0.9x	8.4x	7.6x	7.0x	6.4x	9.2x	8.3x	7.3x	8.4%	9.8%	11.3%	3%	10%	12%	20%
Teamviewer	2.3x	2.1x	2.0x	6.3x	6.0x	5.5x	5.2x	5.7x	4.9x	4.9x	22.1%	25.0%	25.8%	7%	7%	5%	8%
Temenos	6.0x	5.6x	5.3x	15.9x	13.9x	12.7x	11.8x	24.7x	22.9x	21.2x	4.5%	4.8%	5.2%	6%	8%	10%	11%
<b>European Software Average</b>	<b>4.7x</b>	<b>4.3x</b>	<b>3.9x</b>	<b>16.3x</b>	<b>14.9x</b>	<b>13.1x</b>	<b>11.4x</b>	<b>22.8x</b>	<b>20.0x</b>	<b>18.0x</b>	<b>4.5%</b>	<b>4.8%</b>	<b>5.2%</b>	<b>8%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>
<b>European IT Services</b>																	
Alten	0.6x	0.6x	0.5x	6.2x	5.7x	5.2x	4.8x	9.5x	8.6x	7.9x	11.2%	12.4%	13.3%	4%	9%	11%	25%
Atos	0.4x	0.4x	0.4x	8.4x	6.1x	5.1x	4.7x	7.7x	4.4x	3.4x	-	3.8%	10.7%	-6%	29%	68%	-
Bechtle	0.8x	0.8x	0.7x	12.0x	10.9x	10.2x	9.5x	20.8x	19.1x	17.6x	3.2%	3.4%	3.8%	6%	9%	10%	42%
Capgemini	1.2x	1.1x	1.1x	9.5x	8.7x	8.5x	8.2x	12.9x	12.0x	10.9x	7.3%	7.4%	7.9%	5%	6%	8%	1%
Kainos	2.2x	2.0x	1.9x	17.2x	14.1x	12.2x	10.8x	18.9x	16.6x	14.8x	5.8%	6.5%	7.2%	11%	19%	15%	11%
Netcompany	1.9x	1.8x	1.7x	19.2x	11.1x	9.9x	9.1x	19.7x	16.7x	14.6x	4.9%	5.8%	6.5%	13%	39%	31%	43%
Sopra Steria	0.7x	0.7x	0.7x	6.8x	6.9x	6.7x	6.5x	10.3x	9.0x	8.4x	10.0%	10.7%	11.2%	3%	1%	10%	10%
TietoEVRY	1.6x	1.6x	1.5x	16.6x	9.9x	9.5x	9.1x	12.9x	11.5x	11.0x	5.6%	6.7%	7.0%	1%	32%	6%	-29%
<b>European IT Services Average</b>	<b>1.0x</b>	<b>1.0x</b>	<b>0.9x</b>	<b>10.8x</b>	<b>9.3x</b>	<b>9.0x</b>	<b>8.6x</b>	<b>12.9x</b>	<b>11.8x</b>	<b>10.9x</b>	<b>5.8%</b>	<b>6.6%</b>	<b>7.5%</b>	<b>5%</b>	<b>14%</b>	<b>11%</b>	<b>11%</b>
<b>Global Travel IT</b>																	
Amadeus	3.9x	3.7x	3.5x	11.0x	10.2x	9.6x	9.1x	16.7x	15.4x	14.5x	5.8%	6.4%	6.8%	7%	7%	7%	10%
HBX Group	2.8x	2.7x	2.6x	7.6x	4.9x	4.7x	4.5x	9.7x	9.1x	8.5x	16.3%	16.6%	17.1%	5%	27%	-	7%
Sabre	1.4x	1.4x	1.4x	12.5x	8.8x	8.6x	8.5x	8.9x	5.0x	4.2x	10.0%	15.5%	25.5%	3%	21%	-	-
<b>Global Travel IT Average</b>	<b>2.8x</b>	<b>2.7x</b>	<b>2.6x</b>	<b>11.0x</b>	<b>8.8x</b>	<b>8.6x</b>	<b>8.5x</b>	<b>9.7x</b>	<b>9.1x</b>	<b>8.5x</b>	<b>10.0%</b>	<b>15.5%</b>	<b>17.1%</b>	<b>5%</b>	<b>21%</b>	<b>7%</b>	<b>8%</b>
<b>European Payments</b>																	
Adyen	10.1x	8.3x	6.9x	23.5x	18.7x	14.9x	12.0x	32.3x	26.9x	22.2x	3.0%	3.6%	4.4%	21%	25%	21%	27%



**Exhibit 16: European Software, IT Services & Payments coverage multiples**

Coverage key valuation multiples and mid-term growth forecasts

	EV/Sales (x)			BofA EV/EBITDA (x)				BofA P/E (x)			FCF yield (%)			CY25-27 CAGR (%)			
Nexi	3.9x	3.8x	3.7x	7.5x	7.2x	6.8x	-	4.9x	4.4x	4.0x	17.7%	22.2%	25.4%	3%	5%	13%	114%
Paysafe	1.5x	1.4x	1.3x	7.5x	6.5x	6.0x	5.5x	1.3x	1.2x	1.1x	45.2%	108.8%	173.7%	6%	12%	25%	159%
Wise	3.6x	3.2x	2.9x	17.9x	19.9x	20.2x	28.7x	39.4x	40.4x	60.5x	9.3%	10.3%	9.7%	15%	-6%	-3%	15%
Worldline	0.7x	0.7x	0.7x	-	5.6x	4.8x	4.2x	7.3x	3.5x	2.3x	-	0.6%	18.3%	0%	-	-14%	-
<b>European Payments Average</b>	<b>2.6x</b>	<b>2.3x</b>	<b>2.9x</b>	<b>8.3x</b>	<b>6.9x</b>	<b>6.4x</b>	<b>8.7x</b>	<b>19.8x</b>	<b>13.8x</b>	<b>4.0x</b>	<b>9.3%</b>	<b>11.2%</b>	<b>18.3%</b>	<b>10%</b>	<b>12%</b>	<b>13%</b>	<b>27%</b>

Source: BofA Global Research estimates  
 Multiples post Share Based Compensation

BofA GLOBAL RESEARCH



# Generative AI: ramping up, revenue & costs opportunity ahead

## The big picture

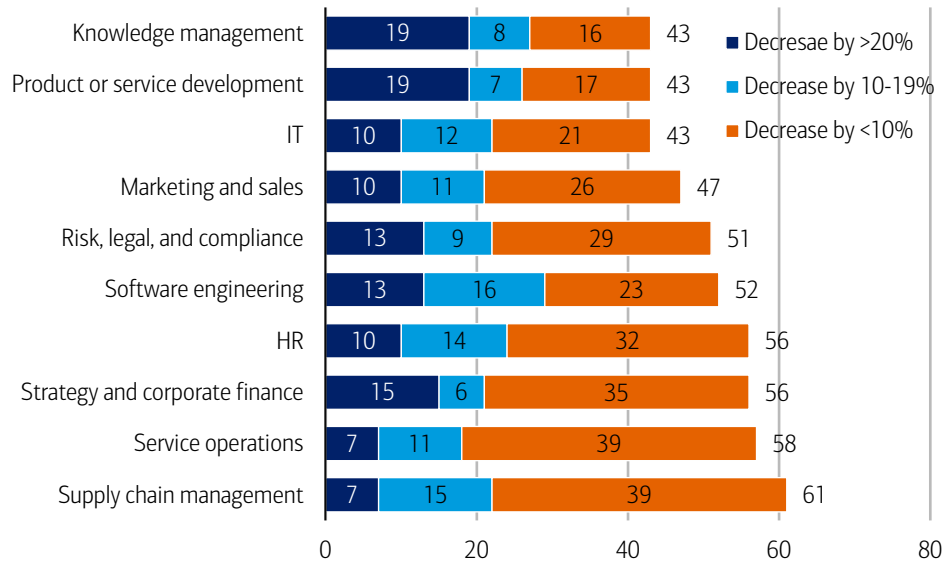
Generative AI is reshaping the economics of Software services by driving measurable efficiency improvements. In enterprise software, SAP and Oracle embed AI into ERP implementations to simplify configuration and post-go-live support, while Microsoft deploys Copilot across finance, HR, and procurement workflows. Adoption is accelerating: 80% of organizations increased GenAI investment since 2023, and multi-function integration rose from 6% to 25% year-on-year.

## Cost efficiencies but modest ROI

McKinsey's latest AI survey shows that most respondents report cost savings from generative AI across key functions, particularly software engineering, manufacturing, and IT. However, its impact on enterprise-wide profitability remains limited. Over **80% of respondents** say their organizations have yet to see a meaningful effect on EBIT from gen AI adoption.

**Exhibit 13: The majority of respondents report costs decrease from the use of GenAI across multiple functions**

Costs decrease within business units from Gen AI use in the past 12 months, by function, % respondents



Source: McKinsey The State of AI in 2025

BofA GLOBAL RESEARCH

Despite efficiency gains, ROI from AI remains modest. Most deployments still focus on productivity rather than monetization, with typical returns in the low single digits. Advanced programs show potential, Deloitte reports 74% meet or exceed expectations, and some achieve returns above 20%, though these cases are exceptions. Strategic impact depends on embedding AI deeply into core workflows and scaling beyond pilots, rather than rolling out isolated features.

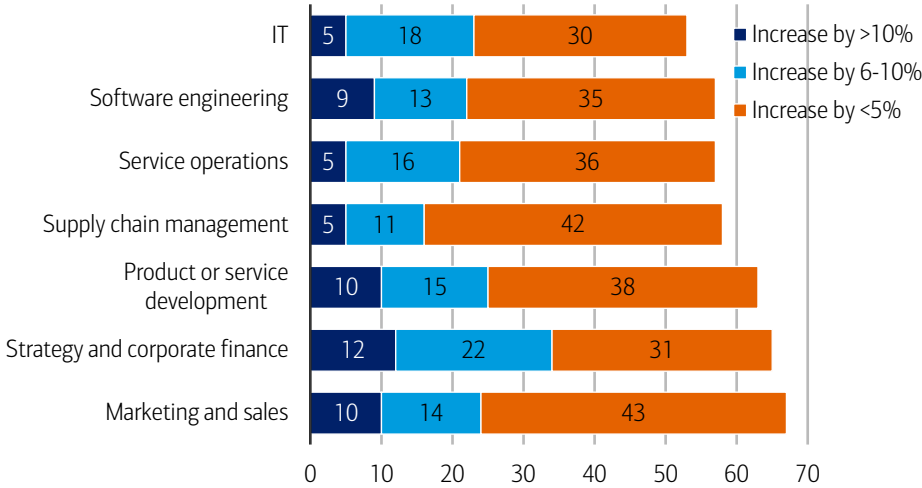
U.S. vendors like Microsoft, Salesforce, and ServiceNow are moving toward AI-native architectures and premium pricing models, while European peers remain focused on incremental enhancements. This structural gap raises investor concerns: without faster integration and pricing innovation, incumbents risk margin erosion as AI-native entrants scale with lean architectures and quicker innovation cycles.

For now, efficiency is the headline benefit. Monetization and competitive differentiation will hinge on deeper integration and readiness for the next wave of autonomous AI. Revenue gains from AI, beyond generative AI, are most often reported in marketing and sales, strategy and corporate finance, and product development, but rarely exceed 10%.



**Exhibit 14: Revenue increase within business units**

AI use, past 12 months, by function, % of respondents



Source: McKinsey The State of AI in 2025

BofA GLOBAL RESEARCH

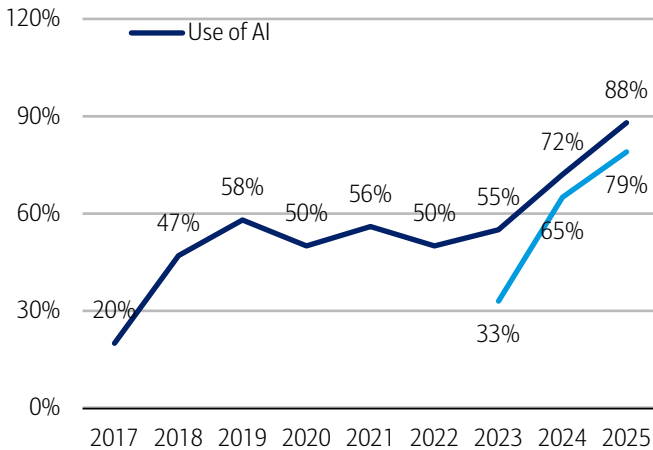
**Gen AI: where do we stand?**

**General AI and Gen AI adoption**

McKinsey’s latest survey indicates that more organizations are adopting AI, though most have yet to scale it. The share of respondents reporting AI use in at least one business function rose to **88%**, up from **78%** last year. However, at the enterprise level, progress remains limited: the majority are still in the experimentation or pilot phase, with only about one-third saying their companies have begun scaling AI programs.

**Exhibit 15: The use of GenAI has grown by 2.5x since 2023**

Organizations that use AI in at least 1 business function, % of respondents

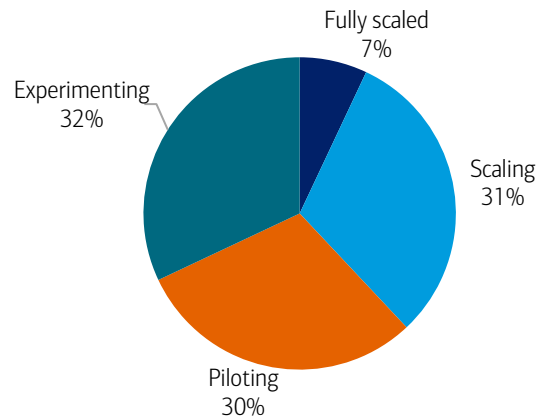


Source: McKinsey The State of AI in 2025

BofA GLOBAL RESEARCH

**Exhibit 16: One third of companies have begun to scale their AI programs**

Phase of AI use among organizations using AI in 2025



Source: McKinsey The State of AI in 2025

BofA GLOBAL RESEARCH

**Gen AI in IT services: automation, not monetization**

In IT services, European firms are deploying GenAI across advisory, engineering, and operations to accelerate delivery and reduce manual effort. Capgemini integrates AI copilots into application modernization and testing, Atos embeds AI into infrastructure management and cybersecurity, and Sopra Steria applies AI in banking for compliance reporting and fraud detection. Alten uses GenAI for simulation and design automation in automotive and aerospace, while Kainos and Netcompany leverage AI for healthcare and public sector workflows, including document processing and conversational interfaces for e-government platforms.



European companies are catching up, SAP is infusing AI across its entire product portfolio, including S/4HANA and SuccessFactors, while Dassault Systemes leverages AI in simulation and design tools, but most initiatives focus on improving user experience and productivity rather than generating standalone revenue.

### Gen AI in software: structural gap in integration between the US and Europe

Rollouts in Europe are accelerating, yet most remain incremental enhancements rather than deep product integration. SAP and Dassault Systemes are exceptions, embedding GenAI into ERP and PLM platforms, but progress is gradual. Others including Temenos or Planisware are embedding AI across their offering but with no identified separate monetization potential. In contrast, U.S. vendors are moving toward AI-native architectures and premium pricing models, positioning themselves for scalable monetization and competitive differentiation.

### US: moving from peripheral AI features to AI-native architectures

U.S. enterprise software vendors continue to set the pace in Generative AI adoption. Initial deployments focused on peripheral features such as copilots for productivity tools, but have evolved into deep integration within mission-critical applications. Companies like Microsoft and Salesforce are embedding AI across ERP, CRM, and productivity suites, supported by premium monetization models including usage-based pricing and subscription add-ons. Development timelines for core features have been cautious due to accuracy requirements and reputational risks, as seen in early missteps by Alphabet. Today, U.S. companies are moving toward AI-native architectures, positioning themselves for scalable monetization and long-term competitive advantage. Generative AI is now firmly embedded across enterprise software: Microsoft integrates Copilot into Office 365 and Dynamics, Salesforce offers Einstein GPT as a CRM enhancement, and ServiceNow incorporates AI into ITSM and HR modules to drive automation.

#### Exhibit 21: US firms roll out more and more Gen AI products

Global Gen AI products

Company	Gen AI products
Microsoft	Copilot: is an AI-powered tool that Microsoft is integrating into products such as Microsoft 365, Windows 11 and Copilot Studio. Key goals are to increase user productivity and provide AI-powered support to the user. Copilot Studio: Advanced agent orchestration in September 2025
Salesforce	Einstein GPT: Gen AI technology debuted in 2023 and integrated into nearly all of Salesforce's Clouds, combining Salesforce's proprietary models with an Open AI partnership. The technology helps users personalise and automate workflows. Expansion and integration into Einstein 1 and Copilot in 2024-2025
Adobe	Firefly: Firefly incorporates various Generative AI capabilities such as text to image, generative fill, generative recolor, text effects and text to template. Firefly Major Update (Image Model 4 and Video Model) announced in April 2025, introducing unified AI content creation and Firefly Boards. Firefly Boards: AI-powered collaborative workspace, additional enhancements launched in June 2025
ServiceNow	Pro Plus: Generative AI is embedded in the Now platform aid users reduce manual touchpoints with the platform and increase understandability. Products include Now Assist, Intelligent Search, and Flow Generation.
Workday	AI Marketplace/AI Gateway: provides HR centric solutions such as skills analysis, document summarisation and analysis and sentiment analysis. Workday Extend also allows organisations to build customised applications on top of the Workday platform that embed generative AI.
HubSpot	HubSpot AI: assists users in content generation, simplifying research and an assistant to provide support with content creation.
Google	Gemini 3: launched in November 2025, integrated across Goggle Search, Gemini App, Vertex AI, and developer tools Google Antigravity (agentic IDE): agentic development platform released in public review in November 2025

Source: Company

BofA GLOBAL RESEARCH

### European Gen AI rollouts: leaders and laggards

European software vendors are accelerating Generative AI rollouts, but positioning varies significantly. SAP and Dassault Systemes stand out as clear leaders, not only because of their advanced AI roadmaps but also due to their scale and ability to monetize.

- **SAP's** Joule copilot and Joule Studio enable customizable AI agents across finance, HR, supply chain, procurement, and customer experience, creating deep workflow integration and premium monetization opportunities through seat-based and consumption-based pricing.



- **DSY's** 3DUNIV+RSES embeds GenAI into its 3DEXPERIENCE platform, introducing virtual companions for HR, finance, and engineering and Virtual Twin-as-a-Service powered by sovereign LLMs via Mistral AI, expected to generate incremental revenue from 2026. These capabilities complement existing offerings rather than replace them, reinforcing Dassault's high-value positioning in simulation and PLM.
- **Sage** has launched premium-priced offering in some of its UK portfolio (including Sage 50) embedding AI features (12% price uplift) and expects further traction on the launch of Sage Intacct Copilot.

## GenAI: where are we going?

### Coding: Gen AI's most impactful use case today

The main use case for Generative AI today is coding. In software development, GenAI-powered coding assistants deliver 10–15% productivity gains (according to Bain). Yet, these time savings often fail to translate into higher-value outcomes without workflow redesign, highlighting a key debate: efficiency gains are clear, but strategic impact depends on scaling and integration. Coding remains the most important GenAI use case. Capgemini notes that tools like GitHub Copilot, AWS Amazon Q Developer, Google Gemini Code Assist, and Codeium can generate code from natural language, assist with syntax completion, and create boilerplates and prototypes. Advanced algorithms even detect bug-prone patterns and suggest fixes, improving both speed and accuracy.

### Beyond coding: agentic AI will expand its reach across enterprise workflows

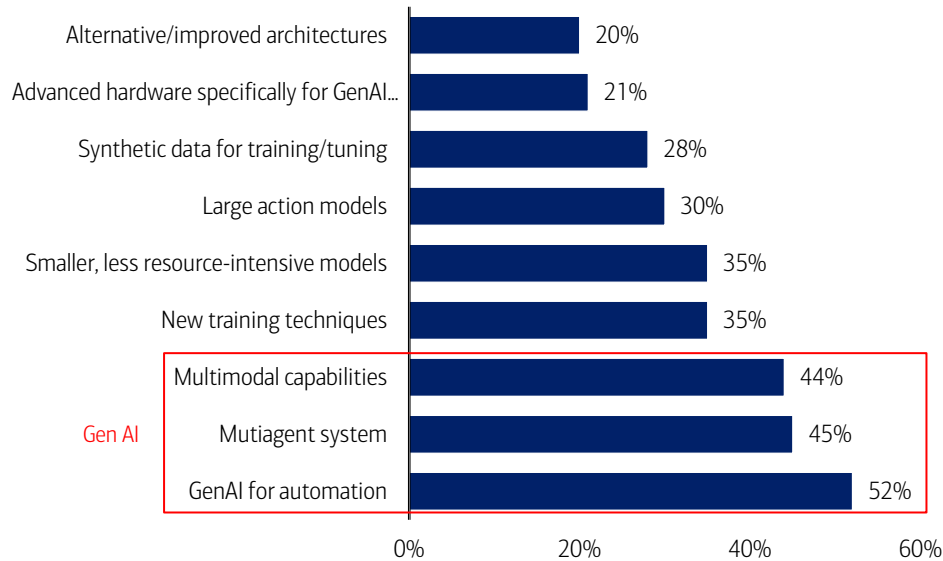
However, this coding supremacy will likely shift. Agentic AI, autonomous agents that can orchestrate processes, manage infrastructure, and execute code, will transform IT services and enterprise software beyond 2026. This shift moves AI from task-level assistance to full workflow orchestration, positioning it as a strategic enabler rather than a productivity tool. Capgemini and Atos are piloting agent-based platforms for IT operations and cybersecurity, while Alten is developing AI-driven digital twins for automotive and aerospace. Sopra Steria is investing in autonomous compliance and fraud detection for banking, signalling a broader move toward AI-enabled orchestration that compresses delivery cycles and reshapes cost structures.

The next paradigm is expected to extend beyond 2026, combining autonomous agents with knowledge graphs and simulation tools to unlock new enterprise use cases. Microsoft and ServiceNow are already exploring agent-based workflows for IT operations, while SAP and Siemens invest in digital twins and autonomous process orchestration. This evolution will redefine SaaS economics and competitive dynamics, marking the transition from incremental automation to AI-native architectures.



**Exhibit 22: Agentic AI is capturing the attention**

Interests in future Gen AI developments, Enterprise Survey



Source: BofA Global Research, Deloitte

BofA GLOBAL RESEARCH

**Monetization and pricing models: Gen AI reshapes top-line****Challenging the traditional seat-based SaaS pricing model**

Generative AI is challenging the traditional seat-based subscription model that has long defined SaaS economics. As AI-driven personalization and variable workloads become central to product value, static pricing tied to user seats looks increasingly misaligned with customer expectations. Vendors are pivoting toward outcome-based pricing, where fees reflect measurable business impact such as productivity gains or cost savings. Additionally, unbundling AI features into premium add-ons or usage-based models is gaining traction, allowing clients to pay only for advanced capabilities they actively use. This evolution points to a more flexible, consumption-driven structure, aligning pricing with the tangible value GenAI delivers rather than fixed access fees.

**Different approaches to AI features pricing across the US and Europe**

In software, regional strategies for AI monetization diverge sharply. U.S. vendors such as Salesforce, ServiceNow, and Microsoft increasingly unbundle AI features, offering them as premium add-ons or usage-based credits, signalling a trend toward treating AI as a distinct revenue stream. Conversely, European providers like SAP embed basic AI within standard pricing and only charge separately for advanced capabilities, reflecting slower, customer-driven demand and a push to accelerate adoption rather than monetize aggressively.

For IT services, near-term monetization remains limited, especially in Europe, where Capgemini, Sopra Steria, and Atos bundle GenAI into transformation or managed services deals without explicit pricing. U.S. peers such as Accenture and Deloitte are experimenting with outcome-based and value-driven models, aligning pricing with measurable business impact. As automation reduces effort and accelerates delivery, traditional time-and-materials and fixed-price contracts become misaligned, pressuring margins. Over time, European companies will need to pivot toward flexible, consumption-based frameworks to capture incremental AI-driven revenue.

**Gen AI adoption and strategic implications****Lower barriers to entry, higher competitive risk**

Generative AI significantly lowers the barriers to entry for new competitors in the SaaS market. AI-native startups are building platforms from the ground up with GenAI at their



core, rather than retrofitting existing architectures. This native approach enables faster innovation cycles, leaner cost structures, and highly personalized user experiences, which can erode the competitive advantage of established SaaS vendors. As these startups leverage AI to automate development, scale rapidly, and deliver differentiated features at lower prices, incumbents face the risk of losing market share unless they accelerate their own AI integration and rethink pricing and product strategies.

Software and IT services incumbents are working to accelerate AI integration across delivery, transition pricing to outcome-based models, and redesign workflows to capture ROI. Investments in proprietary AI platforms and partnerships with hyperscalers (Microsoft Azure, AWS, Google Cloud) will be critical to defend margins and differentiate offerings. Firms that position early for Agentic AI will lead the next wave of transformation; those that delay risk commoditization and margin erosion.

## Glossary

CRM = Customer relationship management

ERP = Enterprise resource planning

GDS = Global distribution system

ITSM = IT service management

LLM = Large language model

PLM = Product lifecycle management

ROI = Return on investment

SaaS = Software-as-a-service

### Stocks mentioned

Prices and ratings for stocks mentioned in this report

BofA Ticker	Bloomberg ticker	Company name	Price	Rating
ADYFY	ADYFY US	Adyen	US\$ 13.8	C-1-9
ADYFY	ADYEN NA	Adyen	EUR 1176.8	C-1-9
ABLGF	ATE FP	Alten	EUR 76.05	B-3-7
AMADF	AMS SQ	Amadeus	EUR 54.1	A-3-7
AMADY	AMADY US	Amadeus	US\$ 63.73	B-3-7
AEXAD	ATO FP	Atos	EUR 54.1	C-3-9
BHTLF	BC8 GY	Bechtle Ag	EUR 42.52	B-3-7
CAPMF	CAP FP	Capgemini	EUR 121.95	B-1-7
CGEMY	CGEMY US	Capgemini	US\$ 28.9	B-1-7
DASTY	DASTY US	Dassault	US\$ 26.53	B-1-7
DASTF	DSY FP	Dassault Systemes	EUR 22.35	B-1-7
XHVXF	HBX SM	HBX	EUR 7.76	C-1-9
KNNNF	KNOS LN	Kainos	839p	B-1-7
NEMTF	NEM GY	Nemetschek	EUR 72.1	B-1-7
NTCYF	NETC DC	Netcompany	DKr 352.8	B-1-9
NEXPF	NEXI IM	Nexi SpA	EUR 3.41	B-1-7
PSFE	PSFE US	Paysafe	US\$ 6.62	C-2-9
XPZAF	PLNW FP	Planisware	EUR 18.46	B-1-7
SABR	SABR US	Sabre	US\$ 1.24	C-1-9
SGGEF	SGE LN	Sage	871p	B-1-7



SAP	SAP US	SAP	US\$ 197.29	B-1-7
SAPGF	SAP GY	SAP	EUR 167	B-1-7
CLCMF	SINCH SS	Sinch	SEK 24.58	C-2-9
SPSAF	SOP FP	Sopra Steria	EUR 141.2	B-1-7
TMVWF	TMV GY	TeamViewer	EUR 5.45	C-1-9
TMNSF	TEMN SW	Temenos AG	CHF 64.3	B-2-7
TMSNY	TMSNY US	Temenos AG	US\$ 82.4	C-2-7
TCYBF	TIETO FH	TietoEVRY	EUR 17.77	B-3-8
WPLCF	WISE LN	Wise	897.5p	C-1-9
WRDLY	WRDLY US	Worldline	US\$ 0.7	C-2-9
WWLNF	WLN FP	Worldline	EUR 1.3295	C-2-9

Source: BofA Global Research

## Price objective basis & risk

### Adyen N.V. (ADYYF / ADYEF)

Our PO of €2,050 (ADR: US\$24) is based on a DCF approach. Key assumptions in our DCF model are 1) WACC of 8.4%, 2) long-term net revenue growth of 1.5% and 3) 63.1% in terminal EBIT margin.

Upside risks to our PO are 1) revenue growth coming in faster than we currently expect driven either by faster growth in volumes or higher pricing, 2) higher operational leverage leading to upside to our EBITDA margin forecasts

Downside risks to our PO are 1) slower ramp in volumes from new/existing merchants and/or loss of a large customer leading to lower revenues/profits, 2) operational disruption driven by technology and key personnel changes, 3) potential pricing pressure across the industry driven by increasing competition, 4) deteriorating macro and 5) unforeseen adverse regulatory changes.

### Alten (ABLGF)

Our PO of €69 is based on 8.8x 2026E P/E, derived using a growth-adjusted multiple compared to peers. Our target multiple is a 20% discount to its closest peer due to lower diversification by geography/ capability and higher growth uncertainty.

Upside risks are: 1) value-accretive acquisitions, 2) better-than-expected demand for engineering R&D services, and 3) Alten gaining higher-than-expected share in ER&D and IT services.

Downside risks are: 1) a prolonged cyclical downturn in key markets, 2) pricing pressure in more mature R&D outsourcing markets, and 3) higher competition from pure-play ER&D names or IT services companies looking to gain further scale in this space.

### Amadeus (AMADF / AMADY)

We value Amadeus at a price objective (PO) of €64 (ADR: US\$75) per share using a discounted cash flow (DCF) approach. Key assumptions in our DCF model are 1) weighted-average cost of capital (WACC) of 7.4%, 2) long-term revenue growth of 1.8% and 3) 38% in terminal EBITDA margin.

Downside risks to our price objective are: 1) further penetration of the Direct Connect model between travel agencies and airlines, driving more disintermediation, 2) share loss in the company's home European market, 3) mis-execution on a large airline reservations project, and 4) prolonged travel weakness due to the COVID-19 pandemic.

Upside risks to our price objective are: 1) faster air bookings growth due to share gain vs



GDS, slower disintermediation or reintermediation, 2) stronger pricing upside and new wins in air IT, 3) revenue per booking continues to grow due to pricing effects and booking mix.

### **Atos (AEXAD)**

We derive a target Enterprise Value of €4.6bn based on a 7.7x target 2027 EV/EBIT metric, in line with peers, implying a target Equity value of €53 per share.

Upside risks are i) value unlock via disposals, ii) market share gains driven by the new strategy, iii) faster operating profit growth driven by efficiency measures.

Downside risks are i) a weak demand environment over the next 12 months, ii) a faster-than-expected slowdown in infrastructure outsourcing activity, impacted by the rise of public cloud, and further restructuring of its workforce as this segment moves towards automation, iii) increased competition from global and local IT services peers.

### **Bechtle Ag (BHRLF)**

Our 12-month PO of €40 is based on 19x 2026E P/E.

Upside risks are: i) Better than expected demand for IT products and services, ii) Improving macro environment, iii) Higher bonus payments from OEMs for meeting targets.

Downside risks are: i) Lower than expected demand for IT products and services, ii) Weaker macro environment, iii) supply chain constraints impacting the ability to fulfil contracts, potentially leading to contractual penalties and iv) OEMs supplying directly to customers.

### **Capgemini (CAPMF / CGEMY)**

Our price objective for Capgemini is €181/share (ADR: US\$42). The global application-centric peer group trades on 2026E EV/EBITDA of 12.6x. We use a target EV/EBITDA of 9.4x for 2026E to reflect lower growth than peers.

Downside risks are (1) weakness in the demand environment in the next 12 months and (2) a worse-than-expected public sector spending.

Upside risks are (1) market share gains as Europe turns towards offshoring and (2) better delivery on margin expansion.

### **Dassault Systemes (DASTF / DASTY)**

Our valuation and price objective (PO) of €35.0/ US\$41 per share is based on a discounted cash flow (DCF) model, assuming 2% long-term growth, 29.1% long-term EBIT margins, and 7% weighted-average cost of capital (WACC).

Upside risks to our price objective are (1) increasing traction of 3DX driving faster growth, and (2) successful expansion into new verticals.

Downside risks are (1) slowing spending in the automotive, aerospace sectors, life science, dampening growth, and (2) competitive pressure esp in the life science segment

### **HBX Group (XHVXF)**

We value HBX Group at a price objective (PO) of €14 per share using a discounted cash flow (DCF) approach. Key assumptions in our DCF model are 1) weighted-average cost of capital (WACC) of 8.9%, 2) long-term revenue growth of 1% and 3) 57% in terminal EBITDA margin. We are also applying a 10% discount to our DCF derived valuation to account for incremental uncertainty on long term growth prospects amid potential AI disruption and intensifying competitive dynamics.



Downside risks to our price objective are: 1) Competition: While HBX is the largest bed bank globally, it also competes with larger companies in the B2B distribution space including Expedia and Booking. 2) Disruptions: Like other travel tech companies, HBX is inherently susceptible to travel disruptions. 3) AI: Generative AI could enable faster innovation/disruption from new entrants or decrease the need for intermediaries.

### **Kainos (KNNNF)**

Our 12-month PO of 1290p is based on 27.0x 2026 P/E, in line with 5Y median.

Downside risks: 1) availability of digital talent, 2) competition/pricing pressure, 3) macroeconomic weakness and 4) delays in customer sales cycles

Upside risks: 1) higher-than-anticipated revenue growth driven by accelerated demand for digital IT services, 2) lower voluntary attrition rates, 3) better-than-expected bookings.

### **Nemetschek (NEMTF)**

Our PO of €93 per share is based on a DCF model, assuming 2.3% long-term growth, 32% long-term EBIT margins, and 7.8% WACC.

Upside risks to our price objective are (1) increasing traction of MAXON driving more adoption across the whole ecosystem and (2) successful transition to subscription and cloud.

Downside risks are (1) slowing capex spending in the AEC sector, dampening growth, and (2) product delays meaning slower cloud adoption and consequently slower subscription transition.

### **Netcompany (NTCYF)**

Our PO of DKK 410 is based on 20x 2026E P/E (in line with 3Y FY2 P/E average).

Downside risks are: 1) macroeconomic recovery slower than expected, 2) delays in customer sales cycles, 3) slower-than-expected penetration into non-domestic markets, 4) execution on Intrasoft acquisition.

### **Nexi SpA (NEXPF)**

We arrive at our €5.1 per share price objective on Nexi using a DCF approach. Key assumptions in our DCF model are 1) WACC of 10.7%, 2) long-term EBITDA margins of 54%, and 3) a terminal growth rate of 0.5%.

Downside risks to our PO are 1) potential pricing pressure across the industry driven by increasing competition, 2) deteriorating macro, 3) value-destructive M&A, 5) unforeseen adverse regulatory changes, 6) loss of relationship with partner banks, 7) higher pricing power for partner banks driven by consolidation among these banks, 8) execution risk, 9) reputational damage impacting Nexi's ability to win or keep customers, 10) operational disruption driven by technology and key personnel/supplier changes.

Upside risks to our PO are 1) Nexi's organic growth comes in higher than we expect driven by stronger than expected growth in digital payment volumes in its key markets, 2) Nexi's pricing comes in stronger than we expect driven by company specific initiatives/value added services, 3) e-com spending in Nexi's main markets accelerates, 4) regulatory changes drive faster adoption of digital payment transactions, 5) insourcing of transaction processing reduces costs leading to higher profitability and 6) value accretive industry consolidation.

### **Paysafe (PSFE)**



Our \$9.4 PO is based on a multiple of 6.1x our 2026E adjusted EBITDA. We apply a 15% discount to the FISV, GPN, and PYPL EV/EBITDA multiple, given PSFE's vertical concentration.

Upside/downside risks are: iGaming concentration (abating/increasing), (increased/less intensive) gaming regulation, (improved/higher) leverage and (less/more) competition.

#### **Planisware SA (XPZAF)**

Our PO of €29 is based on a DCF assuming 2.5% long-term growth and 8.1% WACC. We see substantial long-term upside potential, with EV/EBITDA and FCFE metrics in line with the sector despite a higher growth potential.

Downside risks are competition from larger rivals, generative AI lowering barriers to entry, execution on guidance, FX exposure and macro risks.

#### **Sabre (SABR)**

Our PO of \$2.9 per share is based on a DCF approach. Assumptions in our DCF model are 1) WACC of 9.7%, 2) long-term revenue growth of 0.5% and 3) 22% in terminal EBITDA margin.

Upside risks are (1) better macro/faster recovery from COVID-19 that drives up bookings volumes, and (2) further potential new wins with hospitality groups and/or airlines for the reservations IT platform.

Downside risks are (1) weak demand for corporate travel due to a secular shift to video calls, (2) market share loss in distribution and IT solutions.

#### **Sage (SGGEF)**

Our PO of 1,593p is based on a DCF assuming 2% long-term growth and 6.8% WACC

The upside/downside risks to our price objective are (1) above/below forecast revenue and margin growth, as Sage's new product portfolio gains better/worse traction than expected and (2) financial difficulties/improvements at some of Sage's cloud-based emerging competitors, which result in lower/higher competition.

#### **SAP SE (SAPGF / SAP)**

Our price objective of €258 (US\$308) is based on a Sum of the Parts model, valuing Cloud, on-prem and services separately. We use a 19.6x 2027E EV/EBITDA for the Cloud business, in line with US peers adjusted for growth. We value the on-prem business using a DCF (-8% revenue growth to 2031, terminal growth 0%, 40% terminal EBIT margins, WACC 6.7%), while we value the services business at a 10x EV/EBITDA multiple, in line with IT Services peers.

Upside risks to our price objective are (1) a faster multiple re-rating as the market prices in a successful cloud transition and (2) slower erosion in the core licence business.

Downside risks are increased competition, especially from Cloud native peers, and execution challenges leading to a weaker-than-expected growth or margin profile.

#### **Sinch (CLCMF)**

Our PO of SEK35 is based on a DCF model, assuming 2% long term growth, 12% long term EBIT margins, and 10.7% WACC.

Upside risks to our price objective are: i) reacceleration in the pace of digital transformations, ii) stronger US execution and cross-sell under new management iii) rebound in core Messaging margins.



Downside risks are: i) a weak demand environment in 2024, ii) lengthening sales cycles as enterprises put digital transformation strategies on hold iii) concentrated efforts by Microsoft/Amazon to strengthen CPaaS offerings iv) sharp USD depreciation.

### **Sopra Steria (SPSAF)**

Our 12-month PO of €171 is based on 10.5x 2026E P/E.

Downside risks are: i) a weak demand environment over the next 12-18 months, ii) delays in customer sales cycles, and iii) increased competition from global and local IT services peers.

Upside risks are: i) Better than expected demand for the group's solutions in consulting, BPS and software (especially banking), ii) stronger execution on R&D rationalization at Banking leading to faster margin improvement, and iii) value-accretive acquisitions.

### **TeamViewer (TMVWF)**

We value TeamViewer at a PO of €15 per share using a DCF approach. Key assumptions in our DCF model are 1) WACC of 7.7%, 2) long-term revenue growth of 0.5% and 3) 33% in terminal EBIT margin.

Upside risks to our PO are 1) SMB segment to stabilise and remain more resilient than expected, 2) material expansion in Enterprise use-case, particularly on DEX, IoT and AR opportunities.

Downside risks to our PO are: 1) The long-term trend towards cloud will eventually diminish the need for remote desktop solutions. 2) Big platform competitors with deep pockets may enter the market with "out of the box" solutions. 3) High profile security breaches may impact brand image and divert business users away.

### **Temenos AG (TMNSF / TMSNY)**

Our price objective is CHF89 / US\$111. This is driven by a DCF valuation with the following assumptions: 1/ terminal growth rate of 2%, 2/ WACC of 6.7% (from 7.4%)

Downside risks are banks' growth slowdown and/or slowdown in third-party software outsourcing, lack of product traction, implementation issues. Upside risks are large deal signings, better traction in the US, and a faster economic recovery.

### **TietoEVRY (TCYBF)**

Our 12-month PO of €16.7 is based on 2025E P/E multiple of 12x, a 20% discount to relevant IT Services peers to reflect execution risk

Upside risks are i) market share gains, and ii) slower opex growth driven by efficiency measures.

Downside risks are: i) a weak demand environment over the next 12 months, ii) a faster-than-expected slowdown in IT spend and further restructuring, iii) delays in customer sales cycles, and iv) increased competition from global and local IT services peers.

### **Wise (WPLCF)**

We arrive at our 1,125p per share price objective on Wise using a DCF approach. Key assumptions in our DCF model are 1) WACC of 8.0%, 2) long-term EBIT margins of 20.6%, and 3) a terminal growth rate of 2.5%.

Downside risks to our PO are 1) increasing competition from incumbent money transfer operators and other fintech players leading to pressure on pricing, 2) adverse regulatory changes in Wise's markets which could impact its ability to provide its services, 3) deteriorating macro, 4) loss of relationship with partner banks, 5) shift to



alternative forms of digital remittances using cryptocurrencies 6) cybersecurity and data privacy compliance issues and 7) FX exposure risk.

Upside risks to our PO are 1) better than expected customer growth through geographic expansion or higher uptake of Wise's services in existing markets, 2) Higher take rates driven by growth in ancillary revenues such as interchange fees, Assets or new products introduced over time, 2) faster shift to digital remittances and 4) scale benefits leading to reducing transaction processing costs and higher profitability.

#### **Worldline (WWLNF / WRDLY)**

Our price objective is EUR 1.7 (ADR: US\$0.9), based on a DCF (9.5% WACC, 1% long-term growth, 20.5% long-term EBITDA margin).

Upside risks to our PO are 1) operating outperformance, driven by near-term growth acceleration in merchant services, 2) successful business restructuring, 3) decline in pricing pressure.

Downside risks to our PO are 1) deceleration in revenue growth, 2) increase in pricing pressure in merchant services, 3) contract losses.

### **Analyst Certification**

We, Frederic Boulan, CFA, Aditya Buddhavarapu, CFA and Victor Cheng, CFA, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

### **Special Disclosures**

BofA Securities, through its ongoing corporate broker relationship with Wise Plc, is connected to their review regarding their intention to transfer their primary listing to the US.

## EMEA - Technology Software Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Adyen	ADYFY	ADYFY US	Frederic Boulan, CFA
	Adyen N.V.	ADYFY	ADYEN NA	Frederic Boulan, CFA
	Capgemini	CAPMF	CAP FP	Frederic Boulan, CFA
	Capgemini	CGEMY	CGEMY US	Frederic Boulan, CFA
	Dassault Systemes	DASTF	DSY FP	Frederic Boulan, CFA
	Dassault Systemes	DASTY	DASTY US	Frederic Boulan, CFA
	HBX Group	XHVXF	HBX SM	Victor Cheng, CFA
	Kainos	KNNNF	KNOS LN	Aditya Buddhavarapu, CFA
	Nemetschek	NEMTF	NEM GY	Victor Cheng, CFA
	Netcompany	NTCYF	NETC DC	Aditya Buddhavarapu, CFA
	Nexi SpA	NEXPF	NEXI IM	Aditya Buddhavarapu, CFA
	Planisware SA	XPZAF	PLNW FP	Frederic Boulan, CFA
	Sabre	SABR	SABR US	Victor Cheng, CFA
	Sage	SGGEF	SGE LN	Frederic Boulan, CFA
	SAP SE	SAPGF	SAP GY	Frederic Boulan, CFA
	SAP SE	SAP	SAP US	Frederic Boulan, CFA
	Sopra Steria	SPSAF	SOP FP	Aditya Buddhavarapu, CFA
	TeamViewer	TMVWF	TMV GY	Victor Cheng, CFA
	Wise	WPLCF	WISE LN	Aditya Buddhavarapu, CFA
<b>NEUTRAL</b>				
	Paysafe	PSFE	PSFE US	Aditya Buddhavarapu, CFA
	Sinch	CLCMF	SINCH SS	Victor Cheng, CFA
	Temenos AG	TMNSF	TEMN SW	Frederic Boulan, CFA
	Temenos AG	TMSNY	TMSNY US	Frederic Boulan, CFA
	Worldline	WWLNF	WLN FP	Frederic Boulan, CFA
	Worldline	WRDLY	WRDLY US	Frederic Boulan, CFA
<b>UNDERPERFORM</b>				
	Alten	ABLGF	ATE FP	Aditya Buddhavarapu, CFA
	Amadeus	AMADF	AMS SQ	Victor Cheng, CFA
	Amadeus	AMADY	AMADY US	Victor Cheng, CFA
	Atos	AEXAD	ATO FP	Frederic Boulan, CFA
	Bechtle Ag	BHTLF	BC8 GY	Aditya Buddhavarapu, CFA
	TietoEVRY	TCYBF	TIETO FH	Aditya Buddhavarapu, CFA

## Disclosures

### Important Disclosures

#### Equity Investment Rating Distribution: Business Services Group (as of 31 Dec 2025)

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	16	51.61%	Buy	10	62.50%
Hold	5	16.13%	Hold	4	80.00%
Sell	10	32.26%	Sell	6	60.00%

#### Equity Investment Rating Distribution: Financial Services Group (as of 31 Dec 2025)

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	160	54.79%	Buy	96	60.00%
Hold	72	24.66%	Hold	51	70.83%
Sell	60	20.55%	Sell	35	58.33%

#### Equity Investment Rating Distribution: Services Group (as of 31 Dec 2025)

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	4	57.14%	Buy	3	75.00%
Hold	1	14.29%	Hold	0	0.00%
Sell	2	28.57%	Sell	1	50.00%



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

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	208	54.03%	Buy	106	50.96%
Hold	97	25.19%	Hold	44	45.36%
Sell	80	20.78%	Sell	23	28.75%

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

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	1869	53.99%	Buy	1069	57.20%
Hold	834	24.09%	Hold	481	57.67%
Sell	759	21.92%	Sell	383	50.46%

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

**FUNDAMENTAL EQUITY OPINION KEY:** Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. **INVESTMENT RATINGS** reflect the analyst's assessment of both a stock's absolute total return potential as well as its attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). Our investment ratings are: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. An investment rating of 6 (No Rating) indicates that a stock is no longer trading on the basis of fundamentals. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

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

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

**INCOME RATINGS**, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure), 8 - same/lower (dividend not considered to be secure) and 9 - pays no cash dividend. *Coverage Cluster* is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent BofA Global Research report referencing the stock.

Price Charts for the securities referenced in this research report are available on the [Price Charts website](#), or call 1-800-MERRILL to have them mailed.

BofAS or one of its affiliates acts as a market maker for the equity securities recommended in the report: Paysafe, Sabre, SAP.

BofAS or an affiliate was a manager of a public offering of securities of this issuer within the last 12 months: Amadeus, HBX Group, Nexi SpA, Sage.

The issuer is or was, within the last 12 months, an investment banking client of BofAS and/or one or more of its affiliates: Adyen, Amadeus, Dassault Systemes, HBX Group, Nexi SpA, Planisware SA, Sabre, Sage, SAP SE, Temenos AG, TietoEVRY, Wise.

BofAS or an affiliate has received compensation from the issuer for non-investment banking services or products within the past 12 months: Adyen, Amadeus, Atos, Bechtle Ag, Capgemini, Dassault Systemes, HBX Group, Nexi SpA, Paysafe, Sabre, Sage, SAP SE, Sinch, TeamViewer, Temenos AG, TietoEVRY, Wise, Worldline.

The issuer is or was, within the last 12 months, a non-securities business client of BofAS and/or one or more of its affiliates: Adyen, Amadeus, Atos, Bechtle Ag, Capgemini, Dassault Systemes, HBX Group, Nexi SpA, Paysafe, Sabre, Sage, SAP SE, Sinch, TeamViewer, Temenos AG, TietoEVRY, Wise, Worldline.

In the US, retail sales and/or distribution of this report may be made only in states where these securities are exempt from registration or have been qualified for sale: Adyen, Alten, Amadeus, Atos, Bechtle Ag, Capgemini, Dassault Systemes, HBX Group, Kainos, Nemetschek, Netcompany, Nexi SpA, Planisware SA, Sage, Sinch, Sopra Steria, TeamViewer, Temenos AG, TietoEVRY, Wise, Worldline.

BofAS or an affiliate has received compensation for investment banking services from this issuer within the past 12 months: Amadeus, HBX Group, Nexi SpA, Planisware SA, Sabre, Sage, Temenos AG, TietoEVRY, Wise.

BofAS or an affiliate expects to receive or intends to seek compensation for investment banking services from this issuer or an affiliate of the issuer within the next three months: Adyen, Amadeus, Dassault Systemes, HBX Group, Nexi SpA, Sabre, Sage, SAP SE, Wise.

BofAS together with its affiliates beneficially owns one percent or more of the common stock of this issuer. If this report was issued on or after the 9th day of the month, it reflects the ownership position on the last day of the previous month. Reports issued before the 9th day of a month reflect the ownership position at the end of the second month preceding the date of the report: Amadeus, Atos, Capgemini, HBX Group.

BofAS or one of its affiliates is willing to sell to, or buy from, clients the common equity of the issuer on a principal basis: Adyen, Amadeus, Capgemini, Dassault, Paysafe, Sabre, SAP, Temenos AG, Worldline.

The issuer is or was, within the last 12 months, a securities business client (non-investment banking) of BofAS and/or one or more of its affiliates: Adyen, Amadeus, Atos, Capgemini, Dassault Systemes, HBX Group, Nexi SpA, Paysafe, Sabre, Sage, SAP SE, Sinch, Wise.

BofA Global Research personnel (including the analyst(s) responsible for this report) receive compensation based upon, among other factors, the overall profitability of Bank of America Corporation, including profits derived from investment banking. The analyst(s) responsible for this report may also receive compensation based upon, among other factors, the overall profitability of the Bank's sales and trading businesses relating to the class of securities or financial instruments for which such analyst is responsible.

**Other Important Disclosures**

The issuer is a corporate broking client of Merrill Lynch International in the United Kingdom: Wise.

From time to time research analysts conduct site visits of covered issuers. BofA Global Research policies prohibit research analysts from accepting payment or reimbursement for travel expenses from the issuer for such visits.

Prices are indicative and for information purposes only. Except as otherwise stated in the report, for any recommendation in relation to an equity security, the price referenced is the publicly traded price of the security as of close of business on the day prior to the date of the report or, if the report is published during intraday trading, the price referenced is indicative of the traded price as of the date and time of the report and in relation to a debt security (including equity preferred and CDS), prices are indicative as of the date and time of the report and are from various sources including BofA Securities trading desks.

The date and time of completion of the production of any recommendation in this report shall be the date and time of dissemination of this report as recorded in the report timestamp.

Recipients who are not institutional investors or market professionals should seek the advice of their independent financial advisor before considering information in this report in connection



with any investment decision, or for a necessary explanation of its contents.

Officers of BofA or one or more of its affiliates (other than research analysts) may have a financial interest in securities of the issuer(s) or in related investments.

Refer to [BofA Global Research policies relating to conflicts of interest](#).

**"BofA Securities" includes BofA Securities, Inc. ("BofAS") and its affiliates. Investors should contact their BofA Securities representative or Merrill Global Wealth Management financial advisor if they have questions concerning this report or concerning the appropriateness of any investment idea described herein for such investor. "BofA Securities" is a global brand for BofA Global Research.**

**Information relating to Non-US affiliates of BofA Securities and Distribution of Affiliate Research Reports:**

BofAS and/or Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") may in the future distribute, information of the following non-US affiliates in the US (short name: legal name, regulator): Merrill Lynch (South Africa): Merrill Lynch South Africa (Pty) Ltd., regulated by the Financial Sector Conduct Authority; MLI (UK): Merrill Lynch International, regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA); BofASE (France): BofA Securities Europe SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers (AMF). BofA Securities Europe SA ("BofASE") with registered address at 51, rue La Boétie, 75008 Paris is registered under no 842 602 690 RCS Paris. In accordance with the provisions of French Code Monétaire et Financier (Monetary and Financial Code), BofASE is an établissement de crédit et d'investissement (credit and investment institution) that is authorised and supervised by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers. BofASE's share capital can be found at [www.bofam.com/BofASEdisclaimer](http://www.bofam.com/BofASEdisclaimer); BofA Europe (Milan): Bank of America Europe Designated Activity Company, Milan Branch, regulated by the Bank of Italy, the European Central Bank (ECB) and the Central Bank of Ireland (CBI); BofA Europe (Frankfurt): Bank of America Europe Designated Activity Company, Frankfurt Branch regulated by BaFin, the ECB and the CBI; BofA Europe (Zurich): Bank of America Europe Designated Activity Company, Zurich Branch, regulated by the Swiss Financial Market Supervisory Authority FINMA, the ECB and CBI; BofA Europe (Madrid): Bank of America Europe Designated Activity Company, Sucursal en España, regulated by the Bank of Spain, the ECB and the CBI; Merrill Lynch (Australia): Merrill Lynch Equities (Australia) Limited, regulated by the Australian Securities and Investments Commission; Merrill Lynch (Hong Kong): Merrill Lynch (Asia Pacific) Limited, regulated by the Hong Kong Securities and Futures Commission (HKSF); Merrill Lynch (Singapore): Merrill Lynch (Singapore) Pte Ltd, regulated by the Monetary Authority of Singapore (MAS); Merrill Lynch (Canada): Merrill Lynch Canada Inc, regulated by the Canadian Investment Regulatory Organization; Merrill Lynch (Mexico): Merrill Lynch Mexico, SA de CV, Casa de Bolsa, regulated by the Comisión Nacional Bancaria y de Valores; BofAS Japan: BofA Securities Japan Co., Ltd., regulated by the Financial Services Agency; Merrill Lynch (Seoul): Merrill Lynch International, LLC Seoul Branch, regulated by the Financial Supervisory Service; Merrill Lynch (Taiwan): Merrill Lynch Securities (Taiwan) Ltd., regulated by the Securities and Futures Bureau; BofAS India: BofA Securities India Limited, regulated by the Securities and Exchange Board of India (SEBI); Merrill Lynch (Israel): Merrill Lynch Israel Limited, regulated by Israel Securities Authority; Merrill Lynch (DIFC): Merrill Lynch International (DIFC Branch), regulated by the Dubai Financial Services Authority (DFSA); Merrill Lynch (Brazil): Merrill Lynch S.A. Corretora de Títulos e Valores Mobiliários, regulated by Comissão de Valores Mobiliários; Merrill Lynch KSA Company: Merrill Lynch Kingdom of Saudi Arabia Company, regulated by the Capital Market Authority. This information: has been approved for publication and is distributed in the United Kingdom (UK) to professional clients and eligible counterparties (as each is defined in the rules of the FCA and the PRA) by MLI (UK), which is authorized by the FCA and regulated by the PRA - details about the extent of our regulation by the FCA and PRA are available from us on request; has been approved for publication and is distributed in the European Economic Area (EEA) by BofASE (France), which is authorized by the ACPR and regulated by the ACPR and the AMF; has been considered and distributed in Japan by BofAS Japan, a registered securities dealer under the Financial Instruments and Exchange Act in Japan, or its permitted affiliates; is issued and distributed in Hong Kong by Merrill Lynch (Hong Kong) which is regulated by HKSF; is issued and distributed in Taiwan by Merrill Lynch (Taiwan); is issued and distributed in India by BofAS India; and is issued and distributed in Singapore to institutional investors and/or accredited investors (each as defined under the Financial Advisers Regulations) by Merrill Lynch (Singapore) (Company Registration No 198602883D). Merrill Lynch (Singapore) is regulated by MAS. Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795), AFS License 235132 (MLEA) distributes this information in Australia only to 'Wholesale' clients as defined by s.761G of the Corporations Act 2001. With the exception of Bank of America N.A., Australia Branch, neither MLEA nor any of its affiliates involved in preparing this information is an Authorised Deposit-Taking Institution under the Banking Act 1959 nor regulated by the Australian Prudential Regulation Authority. No approval is required for publication or distribution of this information in Brazil and its local distribution is by Merrill Lynch (Brazil) in accordance with applicable regulations. Merrill Lynch (DIFC) is authorized and regulated by the DFSA. Information prepared and issued by Merrill Lynch (DIFC) is done so in accordance with the requirements of the DFSA conduct of business rules. BofA Europe (Frankfurt) distributes this information in Germany and is regulated by BaFin, the ECB and the CBI. BofA Securities entities, including BofA Europe and BofASE (France), may outsource/delegate the marketing and/or provision of certain research services or aspects of research services to other branches or members of the BofA Securities group. You may be contacted by a different BofA Securities entity acting for and on behalf of your service provider where permitted by applicable law. This does not change your service provider. Please refer to the [Electronic Communications Disclaimers](#) for further information.

This information has been prepared and issued by BofAS and/or one or more of its non-US affiliates. The author(s) of this information may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so. BofAS and/or MLPF&S is the distributor of this information in the US and accepts full responsibility for information distributed to BofAS and/or MLPF&S clients in the US by its non-US affiliates. Any US person receiving this information and wishing to effect any transaction in any security discussed herein should do so through BofAS and/or MLPF&S and not such foreign affiliates. Hong Kong recipients of this information should contact Merrill Lynch (Asia Pacific) Limited in respect of any matters relating to dealing in securities or provision of specific advice on securities or any other matters arising from, or in connection with, this information. Singapore recipients of this information should contact Merrill Lynch (Singapore) Pte Ltd in respect of any matters arising from, or in connection with, this information. For clients that are not accredited investors, expert investors or institutional investors Merrill Lynch (Singapore) Pte Ltd accepts full responsibility for the contents of this information distributed to such clients in Singapore.

**General Investment Related Disclosures:**

Taiwan Readers: Neither the information nor any opinion expressed herein constitutes an offer or a solicitation of an offer to transact in any securities or other financial instrument. No part of this report may be used or reproduced or quoted in any manner whatsoever in Taiwan by the press or any other person without the express written consent of BofA Securities. This document provides general information only, and has been prepared for, and is intended for general distribution to, BofA Securities clients. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other financial instrument or any derivative related to such securities or instruments (e.g., options, futures, warrants, and contracts for differences). This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of, and is not directed to, any specific person(s). This document and its content do not constitute, and should not be considered to constitute, investment advice for purposes of ERISA, the US tax code, the Investment Advisers Act or otherwise. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this document.

Securities and other financial instruments referred to herein, or recommended, offered or sold by BofA Securities, are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of any insured depository institution (including, Bank of America, N.A.). Investments in general and, derivatives, in particular, involve numerous risks, including, among others, market risk, counterparty default risk and liquidity risk. No security, financial instrument or derivative is suitable for all investors. Digital assets are extremely speculative, volatile and are largely unregulated. In some cases, securities and other financial instruments may be difficult to value or sell and reliable information about the value or risks related to the security or financial instrument may be difficult to obtain. Investors should note that income from such securities and other financial instruments, if any, may fluctuate and that price or value of such securities and instruments may rise or fall and, in some cases, investors may lose their entire principal investment. Past performance is not necessarily a guide to future performance. Levels and basis for taxation may change.

This report may contain a short-term trading idea or recommendation, which highlights a specific near-term catalyst or event impacting the issuer or the market that is anticipated to have a short-term price impact on the equity securities of the issuer. Short-term trading ideas and recommendations are different from and do not affect a stock's fundamental equity rating, which reflects both a longer term total return expectation and attractiveness for investment relative to other stocks within its Coverage Cluster. Short-term trading ideas and recommendations may be more or less positive than a stock's fundamental equity rating.

BofA Securities is aware that the implementation of the ideas expressed in this report may depend upon an investor's ability to "short" securities or other financial instruments and that such action may be limited by regulations prohibiting or restricting "shortselling" in many jurisdictions. Investors are urged to seek advice regarding the applicability of such regulations prior to executing any short idea contained in this report.

Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned herein. Investors in such securities and instruments, including ADRs, effectively assume currency risk.

BofAS or one of its affiliates is a regular issuer of traded financial instruments linked to securities that may have been recommended in this report. BofAS or one of its affiliates may, at any time, hold a trading position (long or short) in the securities and financial instruments discussed in this report.



BofA Securities, through business units other than BofA Global Research, may have issued and may in the future issue trading ideas or recommendations that are inconsistent with, and reach different conclusions from, the information presented herein. Such ideas or recommendations may reflect different time frames, assumptions, views and analytical methods of the persons who prepared them, and BofA Securities is under no obligation to ensure that such other trading ideas or recommendations are brought to the attention of any recipient of this information. In the event that the recipient received this information pursuant to a contract between the recipient and BofAS for the provision of research services for a separate fee, and in connection therewith BofAS may be deemed to be acting as an investment adviser, such status relates, if at all, solely to the person with whom BofAS has contracted directly and does not extend beyond the delivery of this report (unless otherwise agreed specifically in writing by BofAS). If such recipient uses the services of BofAS in connection with the sale or purchase of a security referred to herein, BofAS may act as principal for its own account or as agent for another person. BofAS is and continues to act solely as a broker-dealer in connection with the execution of any transactions, including transactions in any securities referred to herein.

**Copyright and General Information:**

Copyright 2026 Bank of America Corporation. All rights reserved. iQdatabase® is a registered service mark of Bank of America Corporation. This information is prepared for the use of BofA Securities clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of BofA Securities. This document and its content is provided solely for informational purposes and cannot be used for training or developing artificial intelligence (AI) models or as an input in any AI application (collectively, an AI tool). Any attempt to utilize this document or any of its content in connection with an AI tool without explicit written permission from BofA Global Research is strictly prohibited. BofA Global Research utilizes AI, including machine learning and other technologies, to enhance the services we provide to our clients. These technologies assist our analysts in various aspects of their work, including but not limited to data analysis, content extraction, content creation, data aggregation and summarization and identifying relevant information from diverse sources. All AI-driven processes are subject to review by BofA Global Research employees. BofA Global Research information is distributed simultaneously to internal and client websites and other portals by BofA Securities and is not publicly-available material. Any unauthorized use or disclosure is prohibited. Receipt and review of this information constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained herein (including any investment recommendations, estimates or price targets) without first obtaining express permission from an authorized officer of BofA Securities.

Materials prepared by BofA Global Research personnel are based on public information. Facts and views presented in this material have not been reviewed by, and may not reflect information known to, professionals in other business areas of BofA Securities, including investment banking personnel. BofA Securities has established information barriers between BofA Global Research and certain business groups. As a result, BofA Securities does not disclose certain client relationships with, or compensation received from, such issuers. To the extent this material discusses any legal proceeding or issues, it has not been prepared as nor is it intended to express any legal conclusion, opinion or advice. Investors should consult their own legal advisers as to issues of law relating to the subject matter of this material. BofA Global Research personnel's knowledge of legal proceedings in which any BofA Securities entity and/or its directors, officers and employees may be plaintiffs, defendants, co-defendants or co-plaintiffs with or involving issuers mentioned in this material is based on public information. Facts and views presented in this material that relate to any such proceedings have not been reviewed by, discussed with, and may not reflect information known to, professionals in other business areas of BofA Securities in connection with the legal proceedings or matters relevant to such proceedings.

This information has been prepared independently of any issuer of securities mentioned herein and not in connection with any proposed offering of securities or as agent of any issuer of any securities. None of BofAS any of its affiliates or their research analysts has any authority whatsoever to make any representation or warranty on behalf of the issuer(s). BofA Global Research policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer prior to the publication of a research report containing such rating, recommendation or investment thesis.

Any information relating to sustainability in this material is limited as discussed herein and is not intended to provide a comprehensive view on any sustainability claim with respect to any issuer or security.

Any information relating to the tax status of financial instruments discussed herein is not intended to provide tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.

The information herein (other than disclosure information relating to BofA Securities and its affiliates) was obtained from various sources and we do not guarantee its accuracy. This information may contain links to third-party websites. BofA Securities is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this information and is not incorporated by reference. The inclusion of a link does not imply any endorsement by or any affiliation with BofA Securities. Access to any third-party website is at your own risk, and you should always review the terms and privacy policies at third-party websites before submitting any personal information to them. BofA Securities is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

All opinions, projections and estimates constitute the judgment of the author as of the date of publication and are subject to change without notice. Prices also are subject to change without notice. BofA Securities is under no obligation to update this information and BofA Securities ability to publish information on the subject issuer(s) in the future is subject to applicable quiet periods. You should therefore assume that BofA Securities will not update any fact, circumstance or opinion contained herein.

Subject to the quiet period applicable under laws of the various jurisdictions in which we distribute research reports and other legal and BofA Securities policy-related restrictions on the publication of research reports, fundamental equity reports are produced on a regular basis as necessary to keep the investment recommendation current.

Certain outstanding reports or investment opinions relating to securities, financial instruments and/or issuers may no longer be current. Always refer to the most recent research report relating to an issuer prior to making an investment decision.

In some cases, an issuer may be classified as Restricted or may be Under Review or Extended Review. In each case, investors should consider any investment opinion relating to such issuer (or its security and/or financial instruments) to be suspended or withdrawn and should not rely on the analyses and investment opinion(s) pertaining to such issuer (or its securities and/or financial instruments) nor should the analyses or opinion(s) be considered a solicitation of any kind. Sales persons and financial advisors affiliated with BofAS or any of its affiliates may not solicit purchases of securities or financial instruments that are Restricted or Under Review and may only solicit securities under Extended Review in accordance with firm policies.

Neither BofA Securities nor any officer or employee of BofA Securities accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this information.