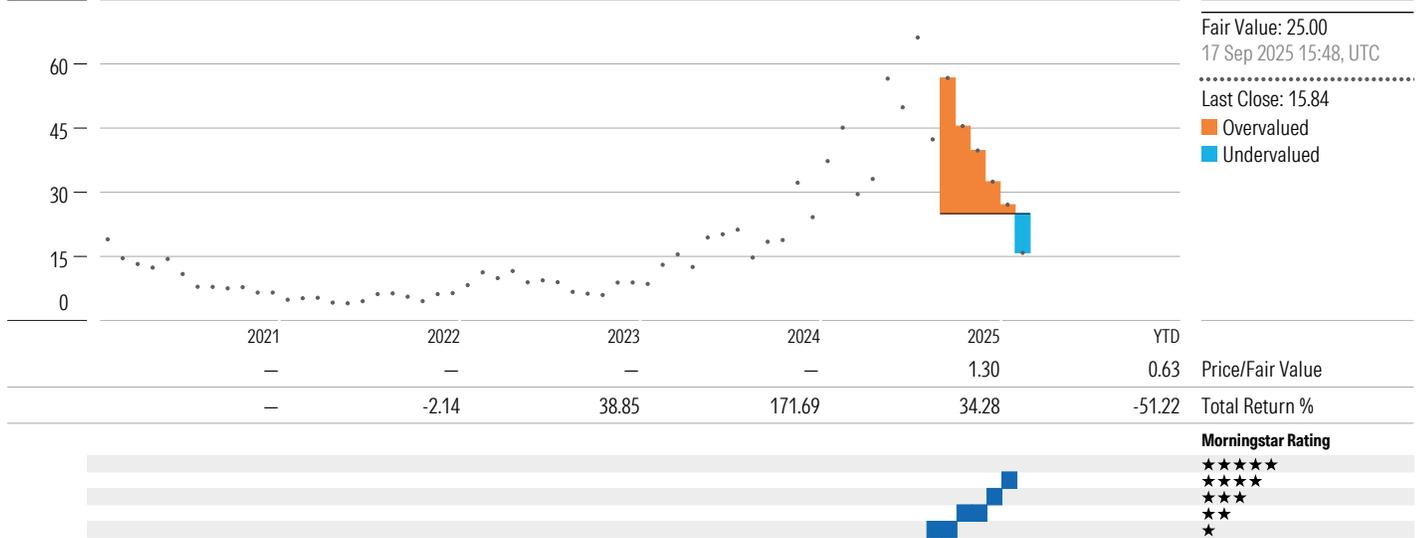


Hims & Hers Health Inc Ordinary Shares - Class A HIMS ★★★★★ 18 Feb 2026 22:54, UTC

Last Price 15.84 USD 18 Feb 2026	Fair Value Estimate 25.00 USD 17 Sep 2025 20:48, UTC	Price/FVE 0.63	Market Cap 3.61 USD Bil 19 Feb 2026	Economic Moat™ None	Equity Style Box Small Growth	Uncertainty Very High	Capital Allocation Standard	ESG Risk Rating Assessment¹ 7 Jan 2026 06:00, UTC
---	---	--------------------------	--	-------------------------------	---	---------------------------------	---------------------------------------	---

Price vs. Fair Value



Total Return % as of 18 Feb 2026. Last Close as of 18 Feb 2026. Fair Value as of 17 Sep 2025 15:48, UTC.

Contents

- Analyst Note (19 Feb 2026)
- Business Description
- Business Strategy & Outlook (17 Sep 2025)
- Bulls Say / Bears Say (17 Sep 2025)
- Economic Moat (17 Sep 2025)
- Fair Value and Profit Drivers (17 Sep 2025)
- Risk and Uncertainty (17 Sep 2025)
- Capital Allocation (17 Sep 2025)
- Analyst Notes Archive
- Financials
- ESG Risk
- Appendix
- Research Methodology for Valuing Companies

Important Disclosure

The conduct of Morningstar's analysts is governed by Code of Ethics/Code of Conduct Policy, Personal Security Trading Policy (or an equivalent of), and Investment Research Policy. For information regarding conflicts of interest, please visit: <http://global.morningstar.com/equitydisclosures>.

The primary analyst covering this company does not own its stock.

¹The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating.

Hims & Hers: Eucalyptus Acquisition Taps Into New Markets and Expands Subscriber Base

Analyst Note Keonhee Kim, Equity Analyst, 19 Feb 2026

Hims & Hers announced an agreement to acquire Eucalyptus for up to \$1.15 billion. Eucalyptus is an international digital health platform with brands including Pilot and Juniper in Australia, the UK, Germany, Japan, and Canada. Hims shares are trading sideways Feb. 19 on the news.

Why it matters: After the abrupt end to the oral semaglutide launch plan in early February, Hims gave investors a drama-free update. We view the acquisition as a continuation of the firm's strategy to expand its international presence and as an additional avenue of platform growth amid decelerating subscriber growth.

- Eucalyptus' offerings resemble Hims' core categories, including skin care, hair loss, sexual health, and weight loss, so integration should be fairly smooth. The Zava acquisition, closed in July 2025, looks to have integrated onto the platform smoothly, and we expect a similar outcome here.
- While this marks Hims' first entry into new markets like Australia and Japan, we think the firm's experience tapping into new geographies through the Zava acquisition should offer a good perspective. Eucalyptus serves more than 775,000 customers, so this could prove meaningful for Hims, potentially increasing the platform's subscribers by 30%, if all remain active and choose to onboard.

The bottom line: We maintain our \$25 fair value estimate for no-moat Hims. The purchase price

Hims & Hers Health Inc Ordinary Shares - Class A HIMS ★★★★★

18 Feb 2026 22:54, UTC

Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment¹
15.84 USD 18 Feb 2026	25.00 USD 17 Sep 2025 20:48, UTC	0.63	3.61 USD Bil 19 Feb 2026	None	Small Growth	Very High	Standard	 7 Jan 2026 06:00, UTC

Sector

 Healthcare

Industry

Drug Manufacturers - Specialty & Generic

reflects roughly 2.5 times Eucalyptus' annual revenue run-rate of \$450 million, on par with what Hims paid for Zava, and we see this as fairly priced.

Business Description

Hims & Hers, launched in 2017, is a telehealth platform that connects patients and healthcare providers to offer treatment options for specialties like erectile dysfunction, hair loss, skin care, mental health, and weight loss. Its offerings include generic, branded, and compounded prescription drugs as well as over-the-counter medicines, cosmetics, and supplements. The platform, which has more than 2 million subscribers, is available in all 50 states and certain European markets like the UK. It includes provider networks, electronic medical records, cloud pharmacy fulfillment, and personalization capabilities. Hims does not take insurance and only accepts payments directly from customers.

- ▶ Hims is expected to pay \$240 million up front in cash upon closing, which is expected during the middle of 2026, and the remaining \$900 million consists of guaranteed and milestone payments through 2029.
- ▶ We still think the more important debate around the stock is the future of the compounded weight-loss market, litigation impacts, and the durability of core business growth. We hope to hear more thoughts on these subjects during fourth-quarter earnings on Feb. 23.

Business Strategy & Outlook Keonhee Kim, Equity Analyst, 17 Sep 2025

Hims & Hers is one of the leading telehealth firms in the US. Since its 2017 launch, the platform has connected patients with healthcare providers across specialties including erectile dysfunction, hair loss, and weight loss. Subscribers have soared from 290,000 at the end of 2020 to over 2.5 million in 2025, with roughly half of the growth driven by the late-2023 launch of its weight-loss program. The introduction of compounded GLP-1s (diabetes and weight-loss) in May 2024, amid the branded medication shortage, spurred significant demand for the platform. However, following the US Food and Drug Administration's resolution on the semaglutide shortage in February 2025 and the end of enforcement discretion for 503B compounders in May, we expect weight-loss revenue to decline sharply, from \$740 million in 2025 to below \$570 million in 2026.

While weight loss is losing steam, the rest of the platform has grown steadily over the last three years, and we expect this to continue over our 10-year forecast period. By our estimates, sexual health and hair and skin care made up roughly 37% and 33% of total revenue in 2024, respectively, and we expect both to generate a midteens 10-year compounded annual growth rate thanks to an increasing focus on personal care. The share of subscribers with at least one personalized solution has risen from 15% in 2022 to over 60% in 2025, which should further strengthen retention and cross-selling opportunities.

Hims has historically fueled growth through heavy advertising and marketing efforts, including a 2025 Super Bowl ad, but we expect more organic customer wins going forward as brand recognition improves, word-of-mouth spreads, and demand for personalized, convenient online care increases. We model customer acquisition costs as a share of revenue to decline from 40% in 2024 to 35% by 2030, supporting greater operating leverage and margin expansion. We estimate adjusted EBITDA margins to rise from 12% in 2024 to over 20% by 2030 and think higher profitability should bolster free cash flow generation, enabling Hims to reinvest in the platform and pursue tuck-in acquisitions to expand its product offerings and geographic reach.

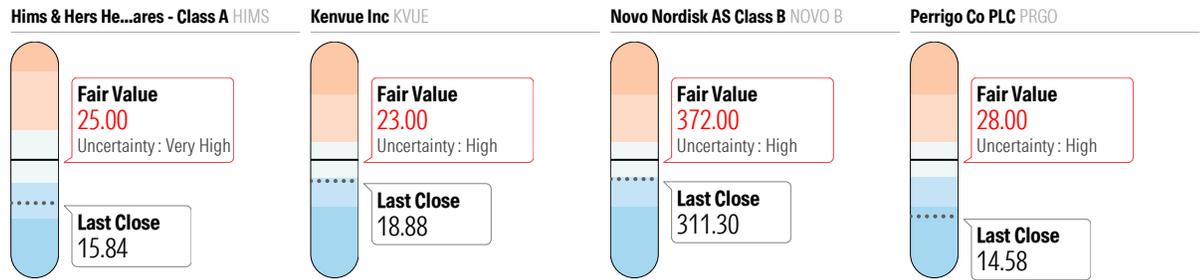
Bulls Say Keonhee Kim, Equity Analyst, 17 Sep 2025

- ▶ An increasing shift to digital healthcare underpins long-term growth potential for Hims' subscribers.

Hims & Hers Health Inc Ordinary Shares - Class A HIMS ★★★★★ 18 Feb 2026 22:54, UTC

Last Price 15.84 USD 18 Feb 2026	Fair Value Estimate 25.00 USD 17 Sep 2025 20:48, UTC	Price/FVE 0.63	Market Cap 3.61 USD Bil 19 Feb 2026	Economic Moat™ None	Equity Style Box Small Growth	Uncertainty Very High	Capital Allocation Standard	ESG Risk Rating Assessment† 7 Jan 2026 06:00, UTC
---	---	--------------------------	--	-------------------------------	---	---------------------------------	---------------------------------------	---

Competitors



	Hims & Hers He...ares - Class A HIMS	Kenvue Inc KVUE	Novo Nordisk AS Class B NOVO B	Perrigo Co PLC PRGO
Economic Moat	None	Wide	Wide	None
Currency	USD	USD	DKK	USD
Fair Value	25.00 17 Sep 2025 15:48, UTC	23.00 3 Nov 2025 20:58, UTC	372.00 4 Feb 2026 23:26, UTC	28.00 5 Nov 2025 21:13, UTC
1-Star Price	43.75	35.65	576.60	43.40
5-Star Price	12.50	13.80	223.20	16.80
Assessment	Undervalued 18 Feb 2026	Undervalued 18 Feb 2026	Undervalued 19 Feb 2026	Undervalued 18 Feb 2026
Morningstar Rating	★★★★ 18 Feb 2026 22:54, UTC	★★★★ 18 Feb 2026 22:56, UTC	★★★★ 19 Feb 2026 04:02, UTC	★★★★★ 18 Feb 2026 22:27, UTC
Analyst	Keonhee Kim, Equity Analyst	Keonhee Kim, Equity Analyst	Karen Andersen, Director	Keonhee Kim, Equity Analyst
Capital Allocation	Standard	Standard	Exemplary	Standard
Price/Fair Value	0.63	0.82	0.84	0.52
Price/Sales	1.82	2.40	4.48	0.47
Price/Book	6.20	3.40	7.13	0.45
Price/Earning	29.89	21.21	14.18	32.45
Dividend Yield	0.00%	4.38%	3.74%	7.96%
Market Cap	3.61 Bil	36.17 Bil	1,382.41 Bil	2.01 Bil
52-Week Range	15.58—72.98	14.02—25.17	266.90—675.20	12.17—30.93
Investment Style	Small Growth	Mid Value	Large Blend	Small Value

- ▶ Hims targets one to two new specialty entries every year. With a proven track record of cross-selling across its subscribers, new therapies should offer further growth opportunities.
- ▶ Geographic expansion into markets like Western Europe widens Hims' total addressable market, and management can apply findings from the US market to effectively target and win new subscribers.

Bears Say Keonhee Kim, Equity Analyst, 17 Sep 2025

- ▶ By providing weight-loss offerings after the end of the branded semaglutide shortage, albeit at personalized doses, Hims runs the risk of legal actions from big pharmaceutical counterparts like Novo Nordisk as well as regulatory actions from the FDA.
- ▶ Failure to optimize customer acquisition costs could weigh down subscriber growth and put pressure on margin, two figures crucial to Hims' long-term targets.
- ▶ Barriers to entry in the telehealth space are low, and newcomers as well as existing players could steal future patients and limit Hims' long-term growth potential.

Hims & Hers Health Inc Ordinary Shares - Class A HIMS ★★★★★

18 Feb 2026 22:54, UTC

Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment ¹
15.84 USD 18 Feb 2026	25.00 USD 17 Sep 2025 20:48, UTC	0.63	3.61 USD Bil 19 Feb 2026	 None	 Small Growth	Very High	Standard	 7 Jan 2026 06:00, UTC

Economic Moat Keonhee Kim, Equity Analyst, 17 Sep 2025

We assign Hims & Hers a no-moat rating because we do not believe the firm possesses any structural advantages sufficient to generate excess returns over the next 10 years.

Hims operates primarily on a subscription model, offering treatments in areas such as sexual health, hair loss, mental health, and weight loss. Customers select a condition and, if necessary, consult with healthcare professionals before starting treatment. The company's portfolio consists largely of off-patent pharmaceuticals fulfilled through affiliated pharmacies, often in customized dosages designed to meet individual needs and reduce side effects. As of August 2025, the platform counts roughly 2.5 million subscribers, with more than 60% using at least one personalized solution. While Hims does not disclose subscriber retention, we estimate it at 65%-85%, with patients using personalized solutions at the higher end of the range.

Since going public in January 2021, Hims has delivered rapid growth, expanding from 290,000 subscribers at year-end 2020 to 2.2 million by year-end 2024, a four-year CAGR of 67%. Growth was fueled by rising demand for GLP-1s, strong marketing—including a 2025 Super Bowl ad—and increasing brand visibility across social media and word-of-mouth. These drivers not only supported subscriber growth but also helped the company achieve positive EBITDA, with adjusted margins improving from negative 5.5% in 2020 to 12% in 2024.

Despite this strong trajectory, we do not see evidence that Hims possesses a structural competitive advantage that warrants a moat rating. Barriers to entry in telehealth remain low, and new entrants can replicate Hims' offerings with relative ease.

Reviewing Hims' portfolio, we don't see signs of revolutionary or meaningfully different products that a patient can only get from the platform and not from competing players. For instance, Hims' hair care offerings largely repackage finasteride and minoxidil—off-patent ingredients found in Propecia and Rogaine—and various supplements. While Hims tries to differentiate itself by offering a mixed combination of these active ingredients and in different forms like chewables, topical sprays, and topical serums, we don't see any material efficacy differences between Hims' products and over-the-counter products. Furthermore, competing telehealth firms like Ro and Keeps also offer their own versions of finasteride/minoxidil combinations in similar, if not the same, dosages and forms, leaving patients with a variety of options. We think this curbs potential pricing power that Hims can attain over peers despite its brand presence, and our analysis is substantiated by the fact that near-identical products from Ro and Keeps carry similar prices. We reach a similar conclusion in categories such as sexual health and weight loss, where Hims' offerings are not meaningfully distinct from peers.

We concede that Hims' ROICs over the past three years look impressive, which could potentially point to

Hims & Hers Health Inc Ordinary Shares - Class A HIMS ★★★★★

18 Feb 2026 22:54, UTC

Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment¹
15.84 USD 18 Feb 2026	25.00 USD 17 Sep 2025 20:48, UTC	0.63	3.61 USD Bil 19 Feb 2026	None	Small Growth	Very High	Standard	 7 Jan 2026 06:00, UTC

signs of a moat, at least from a purely quantitative standpoint. The firm consistently generated an adjusted ROIC above 30% from 2022 to 2024, far exceeding our assumed WACC of 9%. However, we believe this paints an irregular and temporary picture as the firm benefited from unique tailwinds, including pandemic-driven adoption of virtual care in 2021 and a branded semaglutide shortage in 2024.

Looking ahead, we think these dynamics are unlikely to persist and expect both subscriber growth and ROIC to moderate as the base expands and competition intensifies. While Hims has looked to support growth via international expansion and new specialty entries, we don't fully buy into the idea that these initiatives will provide a meaningful competitive advantage. We believe that Europe's differing healthcare systems and regulatory hurdles could prove challenging to simply copy and paste the US model, and new specialties like hormone therapy and menopause care are not challenging for a peer to replicate. As a result, we expect ROIC to trend downward starting in 2025, reaching around 10% by our midcycle year.

Fair Value and Profit Drivers Keonhee Kim, Equity Analyst, 17 Sep 2025

We launch coverage on Hims & Hers with a \$25 fair value estimate and a no-moat rating. Launched in 2017, Hims has grown into one of the leading US telehealth platforms, connecting patients and providers across specialties including erectile dysfunction, hair loss, and weight loss.

For 2025, we forecast \$2.3 billion in revenue and \$315 million in adjusted EBITDA, representing year-over-year growth of 57% and a 78%, respectively. This is driven by our estimated 22% increase in subscribers and a 20% rise in monthly online revenue per average subscriber. Within the core business, we expect a deceleration in sexual health growth as Hims transitions from single-use pills to personalized once-daily treatments, though we still project a 20% growth from new customers and cross-selling. We expect hair, dermatology, behavioral health, and others portfolio to grow about 50% as new rollouts of personalized solutions and effective marketing maintain healthy momentum. In weight loss, we model roughly \$740 million in revenue from GLP-1s and oral treatments combined. While this is more than double 2024's figure, the first half of 2025 made up about two-thirds of the expected full-year revenue as the end of the branded semaglutide shortage in February forced Hims to shift from mass-production 503B facilities to personalization-focused 503A facilities.

Over our 10-year forecast, we expect low-teens compound annual top-line growth and substantial margin expansion. We model subscribers to grow from 2.2 million at the end of 2024 to over 6 million by 2034, driving much of the revenue tailwind. As patients increasingly seek convenient, personalized healthcare, the broad-based telehealth space should benefit from secular tailwinds. We think Hims should maintain a healthy market share thanks to the brand equity and trust the firm built in recent years supporting retention and attracting new customers.

Hims & Hers Health Inc Ordinary Shares - Class A HIMS ★★★★★

18 Feb 2026 22:54, UTC

Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment ¹
15.84 USD 18 Feb 2026	25.00 USD 17 Sep 2025 20:48, UTC	0.63	3.61 USD Bil 19 Feb 2026	None	Small Growth	Very High	Standard	 7 Jan 2026 06:00, UTC

That being said, our forecast falls short of management's long-term targets. In May 2025, Hims announced 2030 guidance of at least \$6.5 billion in revenue and \$1.3 billion in adjusted EBITDA, implying a six-year revenue CAGR of 28% and margins rising from 12% in 2024 to 20%. By contrast, our model assumes \$4.0 billion in revenue and roughly \$870 million in adjusted EBITDA. While we think the margin target is achievable, we are conservative on revenue, citing the challenges of maintaining double-digit growth at scale, competitive pressures, and uncertainty around new specialties.

We expect operating leverage from subscriber growth, improved cost management as new facilities scale, and stronger cross-selling. Recent acquisitions in 2024–25 expanded Hims' manufacturing footprint, which should enhance gross margin through increased capacity and lower per-unit costs. On operating expenses, we model customer acquisition and marketing spending as a percentage of sales declining as subscriber growth drives more organic interest through brand recognition and word-of-mouth.

Risk and Uncertainty Keonhee Kim, Equity Analyst, 17 Sep 2025

We assign a Very High Uncertainty Rating for Hims, which largely reflects our quantitative analysis of the firm based on the return ranges used by our star rating system as well as the competitive nature of the telehealth market.

Despite the semaglutide shortage ending in February 2025, Hims still offers compounded semaglutide through section 503A(b)(2) of the Federal Food, Drug, and Cosmetic Act that allows the manufacturing of a compounded drug as long as enough change was made to the drug so that it has a significant difference for the patient compared with the branded dose. While there is no legal action against Hims to our knowledge, we think continued production and sale of compounded GLP-1s could create a legal and/or regulatory risk overhang for the firm for the foreseeable future. For example, Novo Nordisk, the manufacturer of branded semaglutide products Ozempic and Wegovy, filed 14 new lawsuits in the US in August 2025 targeted at firms producing compounded versions of semaglutide. While Hims was not named as one of the defendants in this latest round of lawsuits, we see key GLP-1 players Eli Lilly and Novo continuing to crack down on compounders and the FDA becoming increasingly aware of the potential threat compounders present to the industry, ultimately leaving Hims exposed. Hims shares are highly volatile, and we have seen big price swings on any news or headlines with impact on its weight-loss portfolio over the past 12 months, so future GLP-1 market regulation or litigation could have a meaningful impact on share price.

Outside of weight loss, we don't see notable material risks to Hims' business. Barriers to entry in the telehealth space are low, and newcomers could chip away at Hims' share. But we think this threat remains low, as the majority of Hims subscribers have personalized solutions and tend to stick with their own prescription/products.

Hims & Hers Health Inc Ordinary Shares - Class A HIMS ★★★★★

18 Feb 2026 22:54, UTC

Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment¹
15.84 USD 18 Feb 2026	25.00 USD 17 Sep 2025 20:48, UTC	0.63	3.61 USD Bil 19 Feb 2026	None	Small Growth	Very High	Standard	 7 Jan 2026 06:00, UTC

Capital Allocation Keonhee Kim, Equity Analyst, 17 Sep 2025

We assign Hims a Standard Capital Allocation Rating, reflecting our forward-looking assessments of the firm's financial health, investment strategy and efficacy (organic and inorganic), and shareholder distribution policy. Our view is based on Hims' sound balance sheet, fair investment track record, and appropriate shareholder distribution practices.

We rate Hims' balance sheet as sound. Before issuing \$1 billion in 0% convertible notes in 2025, the firm carried no debt since going public in 2021 and began generating positive free cash flow in 2023. While we model capital expenditures rising significantly from \$50 million in 2024 to over \$200 million in 2025, we expect healthy revenue growth and expanding operating leverage to support consistent free cash flow generation across our 10-year forecast.

We think Hims faces medium business risk. We think subscriber churn is relatively low given that over 90% of customers are on multiple 30-day subscriptions and most, if not all, Hims products show limited seasonality. While categories such as hair care and weight loss are discretionary and could be influenced by macroeconomic conditions, Hims' retention rate—estimated at 65%-85%—exceeds that of traditional beauty or branded GLP-1 peers, underscoring greater customer stickiness.

We consider Hims' investments fair. Since 2024, all acquisitions have been funded with cash on hand and strategically aligned. MedisourceRx and the California peptide facility strengthen Hims' supply chain capacity, while Zava expands geographic reach. We expect further small tuck-in deals in the near future focused on scaling up capacity, automating supply chain processes, and supporting new personalized offerings. The \$1.0 billion in 0% convertible notes affords Hims additional flexibility, though we do not expect it to pursue high-priced targets.

We see Hims' shareholder distribution as appropriate. The firm does not pay dividends, which is typical for a young, fast-growing business that prioritizes investing back into the platform. In 2024, Hims repurchased \$83 million of stock—roughly 40% of free cash flow—at an average price of \$14.40, well below the market price as of August 2025. In hindsight, we see this as a disciplined use of capital.

Analyst Notes Archive

Hims and Novo Nordisk: Compounded Oral Semaglutide Pulled After Legal Challenge and HHS Pressure Keonhee Kim, Equity Analyst, 9 Feb 2026

Hims & Hers announced it will stop offering compounded oral semaglutide on Feb. 7, two days after the launch. The move follows Novo Nordisk's statement on its intent to take legal action and significant regulatory movement at the Department of Health and Human Services. Why it matters: Hims shares are down 20% Feb. 9 as the news kills the excitement of the new offering, increases legal concerns, and exacerbates the uncertainty around the compounding industry. Novo officially announced its lawsuit

Hims & Hers Health Inc Ordinary Shares - Class A HIMS ★★★★★ 18 Feb 2026 22:54, UTC

Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment¹
15.84 USD 18 Feb 2026	25.00 USD 17 Sep 2025 20:48, UTC	0.63	3.61 USD Bil 19 Feb 2026	None	Small Growth	Very High	Standard	 7 Jan 2026 06:00, UTC

against Hims on Feb. 9, even after the pill was pulled, and is seeking redress (possibly royalties or lost profits) on top of a permanent ban on all compounded semaglutide products. This was among the scenarios that we considered possible, but the quick turnabout on the launch was unexpected. The oral product discontinuation eases litigation concerns, but we reiterate our Very High Uncertainty Rating for Hims as we consider potential implications. Competition from a compounded oral semaglutide could have taken momentum out of Novo's Wegovy pill launch and forced further pricing pressure on the GLP-1 market, indirectly affecting other therapies including Lilly's upcoming orforglipron pill launch in the second quarter. The bottom line: We maintain our fair value estimates for no-moat Hims (\$25) and wide-moat Novo Nordisk (DKK 372/\$59). We think the recent selloff is momentum-driven and doesn't consider Hims' wide and growing portfolio outside of weight-loss. We think Novo's long-run competitiveness in the GLP-1 market remains underappreciated by the market. Given the uncertainty around several potential outcomes, we have not made any changes to our models at this time. But fully removing future GLP-1 contributions would decrease our Hims fair value by a low-teens percentage. Litigation charges and potential payments to Novo could take many shapes and sizes, in our view, and we expect Hims shares to be pressured by this overhang until there is more clarity on the outcome.

Hims and Novo Nordisk: Compounded Oral Semaglutide Launch Challenges Legal Framework

Keonhee Kim, Equity Analyst, 5 Feb 2026

Hims & Hers announced the launch of oral semaglutide on Feb. 5. The new treatment plan starts at \$49 per month and directly competes with Novo Nordisk's Wegovy pill, which launched in January 2026. Hims and Novo shares are down 6% and 8%, respectively. Why it matters: Novo's Wegovy pill launch has had a strong kickoff, but Hims' new product could throw a curveball at this trajectory. The two firms have a contentious relationship following their short-lived collaboration, which ended in June 2025. Hims still offers personalized semaglutide injectables and has not yet faced any material litigation or regulatory challenges. But launching oral semaglutide so soon after the branded launch, particularly absent any shortages, could risk triggering an attack from Novo and government agencies. Novo's launch of the Wegovy pill is one bright spot in its overall weak 2026 outlook, and maximizing its launch ahead of Lilly's potential second-quarter launch of competing oral orforglipron has been their key focus. Hims is jeopardizing this valuable time window and is likely to trigger legal action. The bottom line: We maintain our fair value estimates for no-moat Hims (\$25) and wide-moat Novo Nordisk (DKK 372/\$59). We think our High uncertainty rating for Novo and Very High uncertainty rating for Hims help account for the significant uncertainty around the oral GLP-1 market in 2026. A range of outcomes is possible, including more Food and Drug Administration restrictions on 503A compounded drugs. Since oral semaglutide has never been on a shortage list, the grey area of legality in which Hims operates appears to be moving closer to a red line, in our view. If allowed to stay on the market, the Hims oral could significantly limit the growth of branded obesity drug sales at Novo and Lilly. That said, a lack of legal or regulatory action regarding this launch could put other branded launches at risk in the future,

Hims & Hers Health Inc Ordinary Shares - Class A HIMS ★★★★★ 18 Feb 2026 22:54, UTC

Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment¹
15.84 USD 18 Feb 2026	25.00 USD 17 Sep 2025 20:48, UTC	0.63	3.61 USD Bil 19 Feb 2026	None	Small Growth	Very High	Standard	 7 Jan 2026 06:00, UTC

raising doubts about its approval.

Hims & Hers Earnings: Scale Continues to Grow but Subscriber Growth Decelerates; Shares Overvalued

Keonhee Kim, Equity Analyst, 4 Nov 2025

Hims & Hers delivered 49.2% year-over-year revenue growth and a 13.1% adjusted EBITDA margin during the third quarter. Both figures came ahead of guidance and investors reacted favorably, sending shares up 3% after hours. Why it matters: Increasing adoption of personalized solutions across both Hims and Hers platforms is helping maintain the firm's growth momentum, and we expect these customers to build stickier relationships with the platform than those with generic solutions. While the year-over-year comparison looks strong, one thing that caught our attention is the continual decrease in sequential subscriber growth. Since hitting 10% in the third quarter of last year, the number has fallen every quarter, and this quarter's growth was 1.3%. While we still model decent growth next year, thanks to recent expansion into new categories, a failure to increase this base could signal a red flag in the business. The improved adjusted EBITDA margin, despite cost headwinds from shipping dynamics, demonstrates Hims' continued improvement from a marketing and efficiency perspective. Marketing as a percentage of sales fell roughly 700 basis points against last year. The bottom line: We maintain our \$25 fair value estimate for no-moat Hims & Hers and see shares as very overvalued. Our 2025 forecast of \$2.35 billion in revenue and \$310 million in adjusted EBITDA both sit at the midpoint of guidance. However, we continue to see the 2030 target of at least \$6.5 billion in revenue as too lofty. Headwinds from low barriers to entry, fierce competition, and challenges in international expansion pose threats. While we acknowledge that core business growth still looks solid, questions about platform expansion should be raised if subscriber growth decelerates further. Beyond results, we think the restarted discussions with Novo Nordisk excited investors and added fuel to the stock's movement.

Hims & Hers: Menopause Launch Fuels Retail Investor Craze, but We Still See Shares Overvalued

Keonhee Kim, Equity Analyst, 15 Oct 2025

Hims & Hers announced the launch of menopause and perimenopause offerings and commented that the Hers business is on track to surpass \$1 billion in revenue in 2026. Shares surged on the news and closed 16% higher. Why it matters: While we are pleased to see the firm continuing its specialty expansion, we see today's market movement as a severe overreaction to the news. The timing of this launch comes as expected, and we don't anticipate any major revenue tailwinds from it in the near term. By our analysis, Hers makes up about 20% of total subscribers and a higher portion of the firm's revenue since more weight-loss users are women than men. Using our 2026 revenue forecast of \$2.7 billion, we think the Hers business could reach around \$850 million—lower than management's expected \$1 billion—in 2026. The stock, which has experienced typical volatility and mainly traded sideways over the past three months, rallied, a move we believe reflects retail investors buying into the hype rather than fundamentals. The bottom line: We maintain our \$25 fair value for no-moat Hims &

Hims & Hers Health Inc Ordinary Shares - Class A HIMS ★★★★★ 18 Feb 2026 22:54, UTC

Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment¹
15.84 USD 18 Feb 2026	25.00 USD 17 Sep 2025 20:48, UTC	0.63	3.61 USD Bil 19 Feb 2026	None	Small Growth	Very High	Standard	 7 Jan 2026 06:00, UTC

Hers. We model moderate tailwinds from new launches (testosterone and menopause) in 2026. But it has historically taken Hims 18-24 months for a new specialty to get to 100,000 subscribers, and we think it could take several quarters before we start to see meaningful contributions. Coming up: Hims reports third-quarter earnings on Nov. 3. It forecast \$580 million in quarterly revenue and \$65 million in adjusted EBITA at the midpoint, both of which we think are achievable targets.

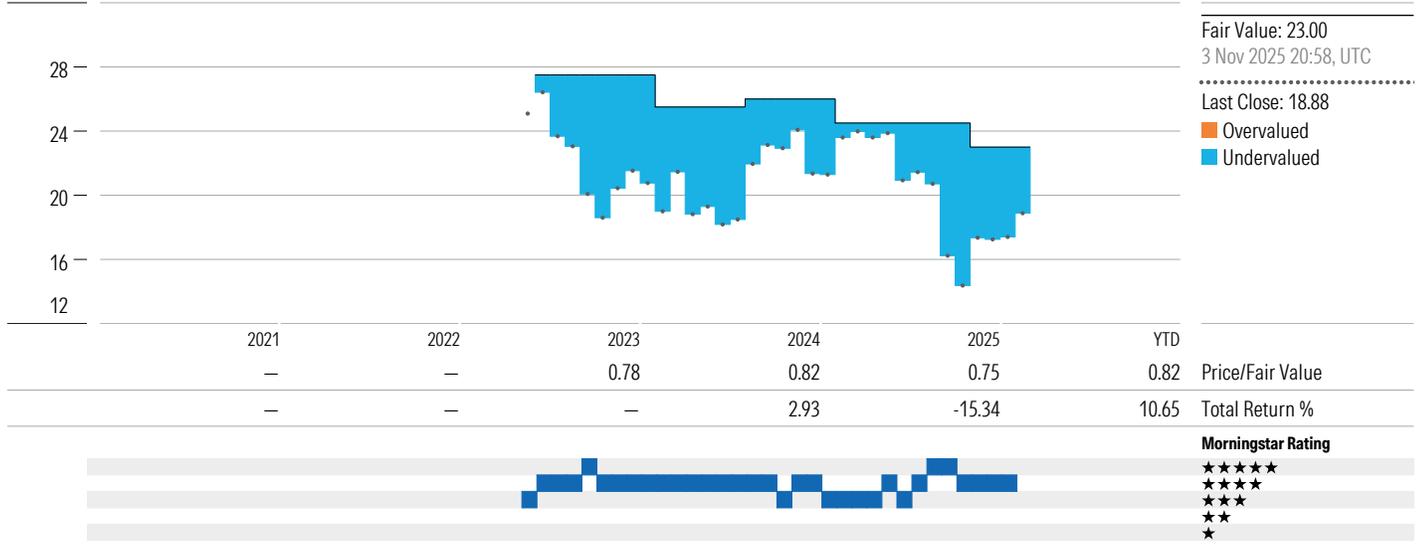
Hims & Hers: Launching Coverage With \$25 Fair Value Estimate and No-Moat Rating Keonhee Kim, Equity Analyst, 17 Sep 2025

We are launching coverage of Hims & Hers, one of the leading US telehealth providers. The bottom line: Our \$25 fair value estimate for no-moat Hims bakes in a 13% 10-year compounded annual growth rate for revenue and substantial margin expansion, with adjusted EBITDA margin climbing from 12% in 2024 to roughly 23.5% by 2032. Having said that, we see shares as significantly overvalued. Our long-term assumptions fall materially short of management's long-term target; we model \$4.0 billion in revenue in 2030 versus management's target of \$6.5 billion, as our estimates account for the threat of new entrants and weakening contributions from the weight-loss category. We assign a no-moat rating for Hims because we don't see any material product differentiation between Hims and its peers. With barriers to entry in the telehealth space remaining low, we think new entrants can replicate Hims' offerings with relative ease. Coming up: For 2025, we forecast \$2.3 billion in revenue and \$315 million in adjusted EBITDA, representing year-over-year growth of 57% and 78%, respectively. This is driven by our estimated 22% increase in subscribers and a 20% rise in monthly online revenue per average subscriber. In Hims' core business, which includes sexual health, mental health, hair, dermatology, and others, we expect 37% growth thanks to new subscribers and cross-selling opportunities. In weight loss, we expect GLP-1s and oral weight-loss products to contribute about \$740 million in revenue combined, demonstrating a 130% gain against last year. Despite this strong performance on a full-year basis, the end of the semaglutide shortage in February 2025 and Hims' shift to personalized doses lead us to assume that two-thirds of full-year revenue have already landed in the first half of the year. ■■■

Hims & Hers Health Inc Ordinary Shares - Class A HIMS ★★★★★ 18 Feb 2026 22:54, UTC

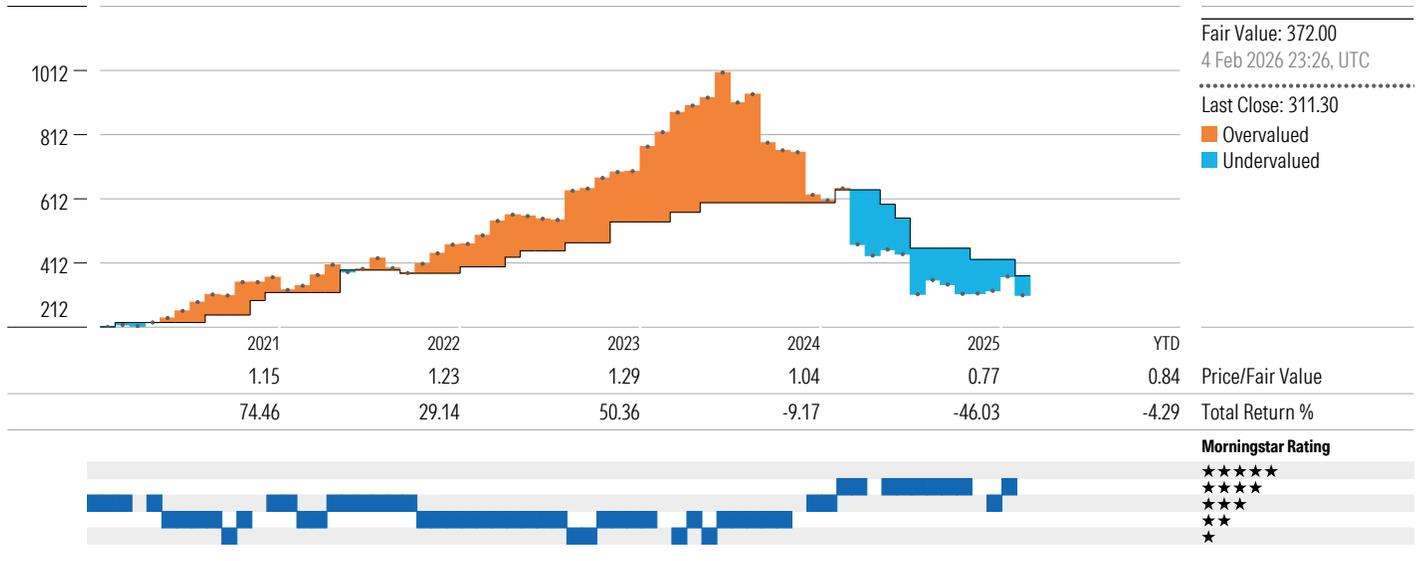
Competitors Price vs. Fair Value

Kenvue Inc KVUE



Total Return % as of 18 Feb 2026. Last Close as of 18 Feb 2026. Fair Value as of 3 Nov 2025 20:58, UTC.

Novo Nordisk AS Class B NOVO B

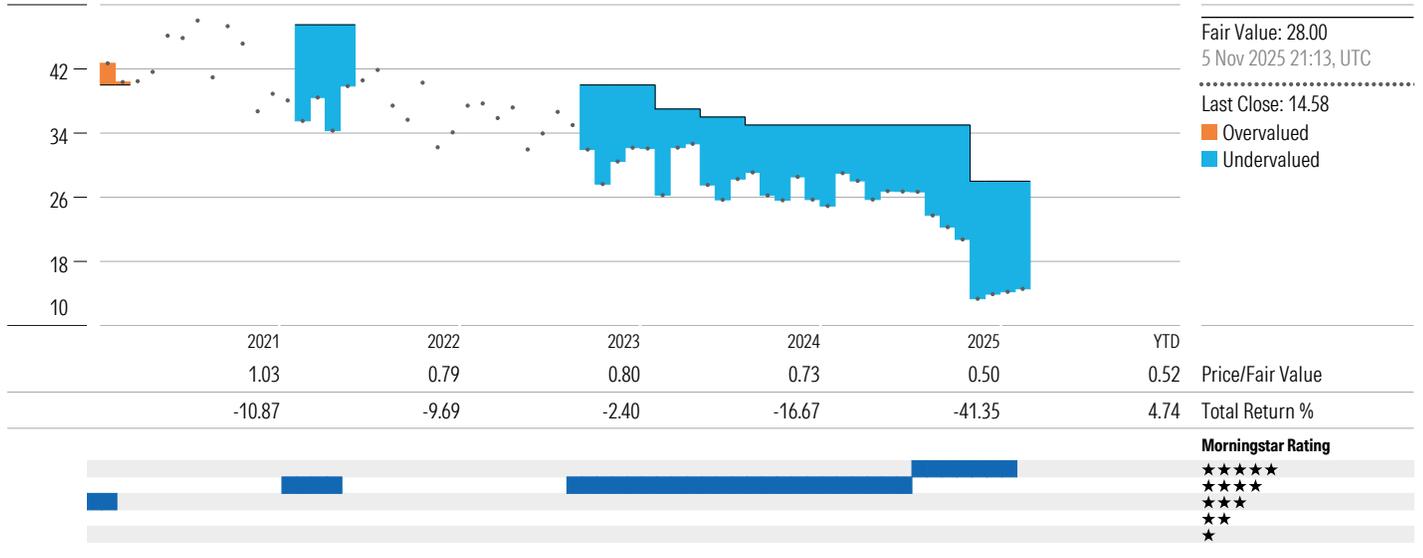


Total Return % as of 18 Feb 2026. Last Close as of 18 Feb 2026. Fair Value as of 4 Feb 2026 23:26, UTC.

Hims & Hers Health Inc Ordinary Shares - Class A HIMS ★★★★★ 18 Feb 2026 22:54, UTC

Competitors Price vs. Fair Value

Perrigo Co PLC PRGO



Total Return % as of 18 Feb 2026. Last Close as of 18 Feb 2026. Fair Value as of 5 Nov 2025 21:13, UTC.

Hims & Hers Health Inc Ordinary Shares - Class A HIMS ★★★★★

18 Feb 2026 22:54, UTC

Last Price 15.84 USD 18 Feb 2026	Fair Value Estimate 25.00 USD 17 Sep 2025 20:48, UTC	Price/FVE 0.63	Market Cap 3.61 USD Bil 19 Feb 2026	Economic Moat™ None	Equity Style Box Small Growth	Uncertainty Very High	Capital Allocation Standard	ESG Risk Rating Assessment¹ 7 Jan 2026 06:00, UTC
---	---	--------------------------	--	-------------------------------	---	---------------------------------	---------------------------------------	---

Morningstar Valuation Model Summary

Financials as of 03 Nov 2025

Fiscal Year, ends 31 Dec	Actual			Forecast				
	2022	2023	2024	2025	2026	2027	2028	2029
Revenue (USD K)	526,916	872,000	1,476,514	2,346,569	2,793,879	3,160,564	3,522,496	3,845,612
Operating Income (USD K)	-68,697	-29,453	61,903	114,982	187,190	262,327	380,430	519,158
EBITDA (USD K)	-60,845	-21,085	78,450	146,661	227,502	301,834	423,795	566,266
Adjusted EBITDA (USD K)	-15,779	49,515	176,873	312,518	383,335	469,518	603,496	752,279
Net Income (USD K)	-65,818	-23,393	125,838	143,691	170,707	233,567	330,763	444,169
Adjusted Net Income (USD K)	-65,818	-23,393	125,838	143,691	170,707	233,567	330,763	444,169
Free Cash Flow To The Firm (USD K)	-70,091	-29,033	77,335	-200,055	-27,542	48,386	152,320	275,361
Weighted Average Diluted Shares Outstanding (Mil)	205	209	237	250	250	250	248	247
Earnings Per Share (Diluted) (USD)	-0.32	-0.11	0.53	0.57	0.68	0.93	1.33	1.80
Adjusted Earnings Per Share (Diluted) (USD)	-0.32	-0.11	0.53	0.57	0.68	0.93	1.33	1.80
Dividends Per Share (USD)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Margins & Returns as of 03 Nov 2025

	Actual				Forecast					5 Year Avg
	3 Year Avg	2022	2023	2024	2025	2026	2027	2028	2029	
Operating Margin %	-4.1	-13.0	-3.4	4.2	4.9	6.7	8.3	10.8	13.5	8.8
EBITDA Margin %	—	-11.6	-2.4	5.3	6.3	8.1	9.6	12.0	14.7	—
Adjusted EBITDA Margin %	—	-3.0	5.7	12.0	13.3	13.7	14.9	17.1	19.6	15.7
Net Margin %	-2.2	-12.5	-2.7	8.5	6.1	6.1	7.4	9.4	11.6	8.1
Adjusted Net Margin %	-2.2	-12.5	-2.7	8.5	6.1	6.1	7.4	9.4	11.6	8.1
Free Cash Flow To The Firm Margin %	-3.8	-13.3	-3.3	5.2	-8.5	-1.0	1.5	4.3	7.2	0.7

Growth & Ratios as of 03 Nov 2025

	Actual				Forecast					5 Year CAGR
	3 Year CAGR	2022	2023	2024	2025	2026	2027	2028	2029	
Revenue Growth %	75.8	93.8	65.5	69.3	58.9	19.1	13.1	11.5	9.2	21.1
Operating Income Growth %	—	-40.3	-57.1	-310.2	85.8	62.8	40.1	45.0	36.5	53.0
EBITDA Growth %	-193.6	-43.2	-65.4	-472.1	87.0	55.1	32.7	40.4	33.6	49.8
Adjusted EBITDA Growth %	-280.5	-47.5	-413.8	257.2	76.7	22.7	22.5	28.5	24.7	33.6
Earnings Per Share Growth %	—	-44.2	-65.3	-575.5	8.2	18.8	36.8	42.5	35.0	27.6
Adjusted Earnings Per Share Growth %	—	-44.2	-65.3	-575.5	8.2	18.8	36.8	42.5	35.0	27.6

Valuation as of 03 Nov 2025

	Actual			Forecast				
	2022	2023	2024	2025	2026	2027	2028	2029
Price/Earning	-20.0	-80.9	45.6	27.8	23.3	17.0	11.9	8.8
Price/Sales	2.5	2.2	3.6	1.5	1.3	1.1	1.0	0.9
Price/Book	4.2	5.4	12.0	6.4	5.0	3.9	3.0	2.3
Price/Cash Flow	—	—	—	—	—	—	—	—
EV/EBITDA	-72.2	33.9	28.8	13.1	10.7	8.7	6.8	5.4
EV/EBIT	-16.6	-57.0	82.3	35.6	21.9	15.6	10.8	7.9
Dividend Yield %	—	—	—	—	—	—	—	—
Dividend Payout %	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow Yield %	—	—	—	—	—	—	—	—

Operating Performance / Profitability as of 03 Nov 2025

Fiscal Year, ends 31 Dec	Actual			Forecast				
	2022	2023	2024	2025	2026	2027	2028	2029
ROA %	-18.0	-5.3	17.8	7.3	7.9	9.6	12.1	14.1
ROE %	-21.1	-6.8	26.4	23.2	21.6	22.8	25.3	26.1
ROIC %	34.0	38.9	41.1	34.5	26.8	21.7	19.0	17.1

Hims & Hers Health Inc Ordinary Shares - Class A HIMS ★★★★★

18 Feb 2026 22:54, UTC

Last Price 15.84 USD 18 Feb 2026	Fair Value Estimate 25.00 USD 17 Sep 2025 20:48, UTC	Price/FVE 0.63	Market Cap 3.61 USD Bil 19 Feb 2026	Economic Moat™ None	Equity Style Box Small Growth	Uncertainty Very High	Capital Allocation Standard	ESG Risk Rating Assessment† 7 Jan 2026 06:00, UTC
---	---	--------------------------	--	-------------------------------	---	---------------------------------	---------------------------------------	---

Financial Leverage (Reporting Currency)

Fiscal Year, ends 31 Dec	Actual			Forecast				
	2022	2023	2024	2025	2026	2027	2028	2029
Debt/Capital %	0.4	0.5	0.2	13.5	12.6	11.7	10.9	10.1
Assets/Equity	1.2	1.3	1.5	3.2	2.7	2.4	2.1	1.8
Net Debt/EBITDA	2.9	10.0	-3.7	2.8	2.0	1.4	0.8	0.3
Total Debt/EBITDA	-0.3	0.2	0.1	3.2	2.6	2.1	1.7	1.3
EBITDA/ Net Interest Expense	6.0	-5.5	-17.1	-14.2	-14.6	-15.8	-18.3	-20.9

Forecast Revisions as of 3 Nov 2025

Prior data as of 17 Sep 2025	2025		2026		2027	
	Current	Prior	Current	Prior	Current	Prior
Fair Value Estimate Change (Trading Currency)	25.00	25.36	—	—	—	—
Revenue (USD Mil)	2,347	2,311	2,794	2,734	3,161	3,087
Operating Income (USD Mil)	115	127	187	191	262	272
EBITDA (USD Mil)	313	315	383	391	470	480
Net Income (USD Mil)	144	135	171	179	234	235
Earnings Per Share (Diluted) (USD)	0.57	0.52	0.68	0.70	0.93	0.91
Adjusted Earnings Per Share (Diluted) (USD)	0.57	0.52	0.68	0.70	0.93	0.91
Dividends Per Share (USD)	0.00	0.00	0.00	0.00	0.00	0.00

Key Valuation Drivers as of 03 Nov 2025

Cost of Equity %	9.0
Pre-Tax Cost of Debt %	5.3
Weighted Average Cost of Capital %	8.9
Long-Run Tax Rate %	20.0
Stage II EBI Growth Rate %	5.0
Stage II Investment Rate %	50.0
Perpetuity Year	11

Additional estimates and scenarios available for download at <https://pitchbook.com/>.

Discounted Cash Flow Valuation as of 03 Nov 2025

	USD Mil
Present Value Stage I	1,495
Present Value Stage II	160
Present Value Stage III	3,763
Total Firm Value	5,418
Cash and Equivalents	221
Debt	0
Other Adjustments	0
Equity Value	5,639
Projected Diluted Shares	241
Fair Value per Share (USD)	25.00

Hims & Hers Health Inc Ordinary Shares - Class A HIMS ★★★★★ 18 Feb 2026 22:54, UTC

Last Price 15.84 USD 18 Feb 2026	Fair Value Estimate 25.00 USD 17 Sep 2025 20:48, UTC	Price/FVE 0.63	Market Cap 3.61 USD Bil 19 Feb 2026	Economic Moat™ None	Equity Style Box Small Growth	Uncertainty Very High	Capital Allocation Standard	ESG Risk Rating Assessment¹ 7 Jan 2026 06:00, UTC
---	---	--------------------------	--	-------------------------------	---	---------------------------------	---------------------------------------	--

ESG Risk Rating Breakdown

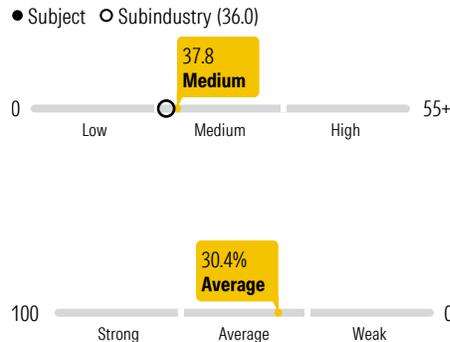
Exposure

Company Exposure ¹	37.8
- Manageable Risk	35.2
Unmanageable Risk²	2.6

Management

Manageable Risk	35.2
- Managed Risk ³	10.7
Management Gap⁴	24.5

Overall Unmanaged Risk 27.1



- ▶ Exposure represents a company's vulnerability to ESG risks driven by their business model
- ▶ Exposure is assessed at the Subindustry level and then specified at the company level
- ▶ Scoring ranges from 0-55+ with categories of low, medium, and high-risk exposure
- ▶ Management measures a company's ability to manage ESG risks through its commitments and actions
- ▶ Management assesses a company's efficiency on ESG programs, practices, and policies
- ▶ Management score ranges from 0-100% showing how much manageable risk a company is managing

ESG Risk Rating



ESG Risk Ratings measure the degree to which a company's value is impacted by environmental, social, and governance risks, by evaluating the company's ability to manage the ESG risks it faces.

1. A company's Exposure to material ESG issues 2. Unmanageable Risk refers to risks that are inherent to a particular business model that cannot be managed by programs or initiatives 3. Managed Risk = Manageable Risk multiplied by a Management score of 30.4% 4. Management Gap assesses risks that are not managed, but are considered manageable 5. ESG Risk Rating Assessment = Overall Unmanaged Risk = Management Gap plus Unmanageable Risk

ESG Risk Rating Assessment⁵



ESG Risk Rating is of Jan 07, 2026. Highest Controversy Level is as of Feb 08, 2026. Sustainalytics Subindustry: Medical Services. Sustainalytics provides Morningstar with company ESG ratings and metrics on a monthly basis and as such, the ratings in Morningstar may not necessarily reflect current Sustainalytics' scores for the company. For the most up to date rating and more information, please visit: sustainalytics.com/esg-ratings/.

Peer Analysis 07 Jan 2026

Peers are selected from the company's Sustainalytics-defined Subindustry and are displayed based on the closest market cap values

Company Name	Exposure	Management	ESG Risk Rating
Hims & Hers Health Inc	37.8 Medium	30.4 Average	27.1 Medium
Community Health Systems Inc	48.8 Medium	32.7 Average	33.9 High
Novo Nordisk AS	47.4 Medium	65.0 Strong	18.7 Low
Perrigo Co PLC	51.2 Medium	40.5 Average	32.9 High
Kenvue Inc	45.2 Medium	55.5 Strong	23.0 Medium

Appendix

Historical Morningstar Rating

Hims & Hers Health Inc Ordinary Shares - Class A HIMS 18 Feb 2026 22:54, UTC

Dec 2026	Nov 2026	Oct 2026	Sep 2026	Aug 2026	Jul 2026	Jun 2026	May 2026	Apr 2026	Mar 2026	Feb 2026	Jan 2026
—	—	—	—	—	—	—	—	—	—	★★★★	★★★
Dec 2025	Nov 2025	Oct 2025	Sep 2025	Aug 2025	Jul 2025	Jun 2025	May 2025	Apr 2025	Mar 2025	Feb 2025	Jan 2025
★★	★★	★	★	—	—	—	—	—	—	—	—
Dec 2024	Nov 2024	Oct 2024	Sep 2024	Aug 2024	Jul 2024	Jun 2024	May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024
—	—	—	—	—	—	—	—	—	—	—	—
Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023	Jun 2023	May 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023
—	—	—	—	—	—	—	—	—	—	—	—
Dec 2022	Nov 2022	Oct 2022	Sep 2022	Aug 2022	Jul 2022	Jun 2022	May 2022	Apr 2022	Mar 2022	Feb 2022	Jan 2022
—	—	—	—	—	—	—	—	—	—	—	—
Dec 2021	Nov 2021	Oct 2021	Sep 2021	Aug 2021	Jul 2021	Jun 2021	May 2021	Apr 2021	Mar 2021	Feb 2021	Jan 2021
—	—	—	—	—	—	—	—	—	—	—	—

Kenvue Inc KVUE 18 Feb 2026 22:56, UTC

Dec 2026	Nov 2026	Oct 2026	Sep 2026	Aug 2026	Jul 2026	Jun 2026	May 2026	Apr 2026	Mar 2026	Feb 2026	Jan 2026
—	—	—	—	—	—	—	—	—	—	★★★★	★★★★
Dec 2025	Nov 2025	Oct 2025	Sep 2025	Aug 2025	Jul 2025	Jun 2025	May 2025	Apr 2025	Mar 2025	Feb 2025	Jan 2025
★★★★	★★★★	★★★★★	★★★★★	★★★★	★★★	★★★★	★★★	★★★	★★★	★★★	★★★★
Dec 2024	Nov 2024	Oct 2024	Sep 2024	Aug 2024	Jul 2024	Jun 2024	May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024
★★★★	★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★
Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023	Jun 2023	May 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023
★★★★	★★★★	★★★★★	★★★★	★★★★	★★★★	★★★	—	—	—	—	—
Dec 2022	Nov 2022	Oct 2022	Sep 2022	Aug 2022	Jul 2022	Jun 2022	May 2022	Apr 2022	Mar 2022	Feb 2022	Jan 2022
—	—	—	—	—	—	—	—	—	—	—	—
Dec 2021	Nov 2021	Oct 2021	Sep 2021	Aug 2021	Jul 2021	Jun 2021	May 2021	Apr 2021	Mar 2021	Feb 2021	Jan 2021
—	—	—	—	—	—	—	—	—	—	—	—

Novo Nordisk AS Class B NOVO B 19 Feb 2026 04:02, UTC

Dec 2026	Nov 2026	Oct 2026	Sep 2026	Aug 2026	Jul 2026	Jun 2026	May 2026	Apr 2026	Mar 2026	Feb 2026	Jan 2026
—	—	—	—	—	—	—	—	—	—	★★★★	★★★
Dec 2025	Nov 2025	Oct 2025	Sep 2025	Aug 2025	Jul 2025	Jun 2025	May 2025	Apr 2025	Mar 2025	Feb 2025	Jan 2025
—	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	—	★★★★	★★★★	★★★	★★★
Dec 2024	Nov 2024	Oct 2024	Sep 2024	Aug 2024	Jul 2024	Jun 2024	May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024
—	★★	★★	★★	★★	★★	★	★★	★	—	★★	★★
Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023	Jun 2023	May 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023
★★	★★	★	★	★★	★★	★★	★★	★★	★★	★★	★★
Dec 2022	Nov 2022	Oct 2022	Sep 2022	Aug 2022	Jul 2022	Jun 2022	May 2022	Apr 2022	Mar 2022	Feb 2022	Jan 2022
★★	★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★	★★	★★★★	★★★★
Dec 2021	Nov 2021	Oct 2021	Sep 2021	Aug 2021	Jul 2021	Jun 2021	May 2021	Apr 2021	Mar 2021	Feb 2021	Jan 2021
—	★★	★	★★	★★	★★	★★	★★★★	—	★★★★	★★★★	★★★★

Perrigo Co PLC PRGO 18 Feb 2026 22:27, UTC

Dec 2026	Nov 2026	Oct 2026	Sep 2026	Aug 2026	Jul 2026	Jun 2026	May 2026	Apr 2026	Mar 2026	Feb 2026	Jan 2026
—	—	—	—	—	—	—	—	—	—	★★★★★	★★★★★
Dec 2025	Nov 2025	Oct 2025	Sep 2025	Aug 2025	Jul 2025	Jun 2025	May 2025	Apr 2025	Mar 2025	Feb 2025	Jan 2025
★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
Dec 2024	Nov 2024	Oct 2024	Sep 2024	Aug 2024	Jul 2024	Jun 2024	May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024
★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023	Jun 2023	May 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023
★★★★★	★★★★★	★★★★★	★★★★★	—	—	—	—	—	—	—	—
Dec 2022	Nov 2022	Oct 2022	Sep 2022	Aug 2022	Jul 2022	Jun 2022	May 2022	Apr 2022	Mar 2022	Feb 2022	Jan 2022
—	—	—	—	—	—	—	★★★★★	★★★★★	★★★★★	★★★★★	—
Dec 2021	Nov 2021	Oct 2021	Sep 2021	Aug 2021	Jul 2021	Jun 2021	May 2021	Apr 2021	Mar 2021	Feb 2021	Jan 2021
—	—	—	—	—	—	—	—	—	—	★★★	★★★

Research Methodology for Valuing Companies

Overview

At the heart of our valuation system is a detailed projection of a company's future cash flows, resulting from our analysts' research. Analysts create custom industry and company assumptions to feed income statement, balance sheet, and capital investment assumptions into our globally standardized, proprietary discounted cash flow, or DCF, modeling templates. We use scenario analysis, in-depth competitive advantage analysis, and a variety of other analytical tools to augment this process. Moreover, we think analyzing valuation through discounted cash flows presents a better lens for viewing cyclical companies, high-growth firms, businesses with finite lives (e.g., mines), or companies expected to generate negative earnings over the next few years. That said, we don't dismiss multiples altogether but rather use them as supporting cross-checks for our DCF-based fair value estimates. We also acknowledge that DCF models offer their own challenges (including a potential proliferation of estimated inputs and the possibility that the method may miss short-term market-price movements), but we believe these negatives are mitigated by deep analysis and our long-term approach.

Morningstar's equity research group ("we," "our") believes that a company's intrinsic worth results from the future cash flows it can generate. The Morningstar Rating for stocks identifies stocks trading at a discount or premium to their intrinsic worth—or fair value estimate, in Morningstar terminology. Five-star stocks sell for the biggest risk adjusted discount to their fair values, whereas 1-star stocks trade at premiums to their intrinsic worth.

Four key components drive the Morningstar rating: (1) our assessment of the firm's economic moat, (2) our estimate of the stock's fair value, (3) our uncertainty around that fair value estimate and (4) the current market price. This process ultimately culminates in our single-point star rating.

1. Economic Moat

The concept of an economic moat plays a vital role not only in our qualitative assessment of a firm's long-term investment potential, but also in the actual calculation of our fair value estimates. An economic moat is a structural feature that allows a firm to sustain excess profits over a

long period of time. We define economic profits as returns on invested capital (or ROIC) over and above our estimate of a firm's cost of capital, or weighted average cost of capital (or WACC). Without a moat, profits are more susceptible to competition. We have identified five sources of economic moats: intangible assets, switching costs, network effect, cost advantage, and efficient scale.

Companies with a narrow moat are those we believe are more likely than not to achieve normalized excess returns for at least the next 10 years. Wide-moat companies are those in which we have very high confidence that excess returns will remain for 10 years, with excess returns more likely than not to remain for at least 20 years. The longer a firm generates economic profits, the higher its intrinsic value. We believe low-quality, no-moat companies will see their normalized returns gravitate toward the firm's cost of capital more quickly than companies with moats.

When considering a company's moat, we also assess whether there is a substantial threat of value destruction, stemming from risks related to ESG, industry disruption, financial health, or other idiosyncratic issues. In this context, a risk is considered potentially value destructive if its occurrence would eliminate a firm's economic profit on a cumulative or mid-cycle basis. If we deem the probability of occurrence sufficiently high, we would not characterize the company as possessing an economic moat.

2. Estimated Fair Value

Combining our analysts' financial forecasts with the firm's economic moat helps us assess how long returns on invested capital are likely to exceed the firm's cost of capital. Returns of firms with a wide economic moat rating are assumed to fade to the perpetuity period over a longer period of time than the returns of narrow-moat firms, and both will fade slower than no-moat firms, increasing our estimate of their intrinsic value.

Our model is divided into three distinct stages:

Stage I: Explicit Forecast

In this stage, which can last five to 10 years, analysts make full financial statement forecasts, including items such as revenue, profit margins, tax rates, changes in working capital accounts, and capital spending. Based on these projections, we calculate earnings before interest,

after taxes (EBI) and the net new investment (NNI) to derive our annual free cash flow forecast.

Stage II: Fade

The second stage of our model is the period it will take the company's return on new invested capital—the return on capital of the next dollar invested ("RONIC")—to decline (or rise) to its cost of capital. During the Stage II period, we use a formula to approximate cash flows in lieu of explicitly modeling the income statement, balance sheet, and cash flow statement as we do in Stage I. The length of the second stage depends on the strength of the company's economic moat. We forecast this period to last anywhere from one year (for companies with no economic moat) to 10–15 years or more (for wide-moat companies). During this period, cash flows are forecast using four assumptions: an average growth rate for EBI over the period, a normalized investment rate, average return on new invested capital (RONIC), and the number of years until perpetuity, when excess returns cease. The investment rate and return on new invested capital decline until a perpetuity value is calculated. In the case of firms that do not earn their cost of capital, we assume marginal ROICs rise to the firm's cost of capital (usually attributable to less reinvestment), and we may truncate the second stage.

Stage III: Perpetuity

Once a company's marginal ROIC hits its cost of capital, we calculate a continuing value, using a standard perpetuity formula. At perpetuity, we assume that any growth or decline or investment in the business neither creates nor destroys value and that any new investment provides a return in line with estimated WACC.

Because a dollar earned today is worth more than a dollar earned tomorrow, we discount our projections of cash flows in stages I, II, and III to arrive at a total present value of expected future cash flows. Because we are modeling free cash flow to the firm—representing cash available to provide a return to all capital providers—we discount future cash flows using the WACC, which is a weighted average of the costs of equity, debt, and preferred stock (and any other funding sources), using expected future proportionate long-term, market-value weights.

3. Uncertainty Around That Fair Value Estimate

Morningstar's Uncertainty Rating is designed to capture the range of potential outcomes for a company's intrinsic value. This rating is used to assign the margin of safety required before investing, which in turn explicitly drives our stock star rating system. The Uncertainty Rating is aimed at identifying the confidence we should have in assigning a fair value estimate for a given stock.

Our Uncertainty Rating is meant to take into account anything that can increase the potential dispersion of future

Morningstar Equity Research Star Rating Methodology



Research Methodology for Valuing Companies

outcomes for the intrinsic value of a company, and anything that can affect our ability to accurately predict these outcomes. The rating begins with a suggested rating produced by a quantitative process based on the trailing 12-month standard deviation of daily stock returns. An analyst overlay is then applied, with analysts using the suggested rating, historical rating data, and their own knowledge of the company to inform them as they make the final Uncertainty Rating decision. Ultimately, the rating decision rests with the analyst. Analysts take into account many characteristics when making their final decision, including cyclical factors, operational and financial factors such as leverage, company-specific events, ESG risks, and anything else that might increase the potential dispersion of future outcomes and our ability to estimate those outcomes.

Our recommended margin of safety—the discount to fair value demanded before we’d recommend buying or selling the stock—widens as our uncertainty of the estimated value of the equity increases. The more uncertain we are about the potential dispersion of outcomes, the greater the discount we require relative to our estimate of the value of the firm before we would recommend the purchase of the shares. In addition, the Uncertainty Rating provides guidance in portfolio construction based on risk tolerance.

Our Uncertainty Ratings are: Low, Medium, High, Very High, and Extreme.

	Margin of Safety	
Qualitative Analysis	★★★★★ Rating	★ Rating
Uncertainty Ratings		
Low	20% Discount	25% Premium
Medium	30% Discount	35% Premium
High	40% Discount	55% Premium
Very High	50% Discount	75% Premium
Extreme	75% Discount	300% Premium

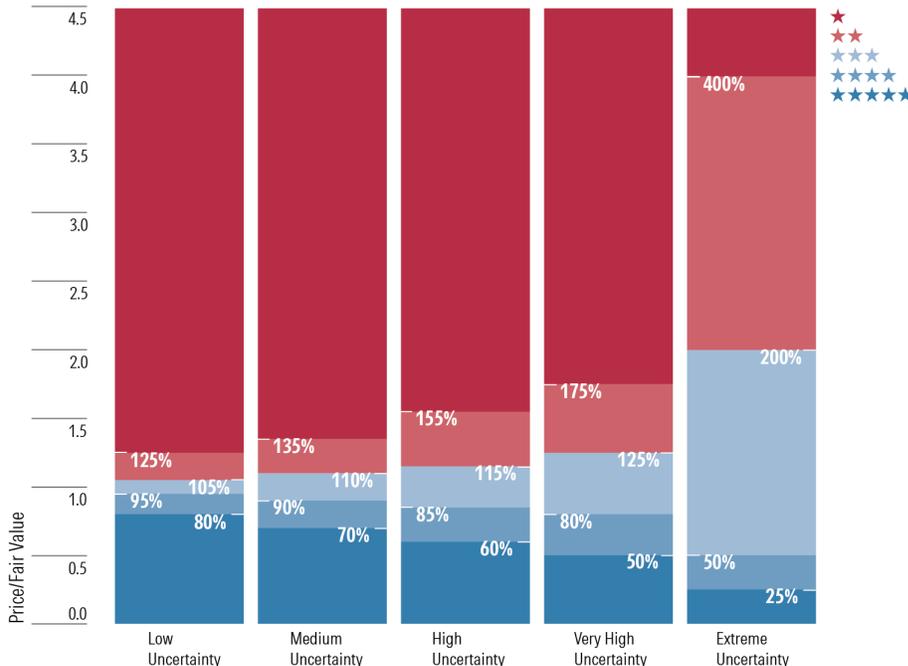
Our uncertainty rating is based on the interquartile range, or the middle 50% of potential outcomes, covering the 25th percentile–75th percentile. This means that when a stock hits 5 stars, we expect there is a 75% chance that the intrinsic value of that stock lies above the current market price. Similarly, when a stock hits 1 star, we expect there is a 75% chance that the intrinsic value of that stock lies below the current market price.

4. Market Price

The market prices used in this analysis and noted in the report come from exchange on which the stock is listed which we believe is a reliable source.

For more details about our methodology, please go to <https://shareholders.morningstar.com>

Morningstar Equity Research Star Rating Methodology



Morningstar Star Rating for Stocks

Once we determine the fair value estimate of a stock, we compare it with the stock’s current market price on a daily basis, and the star rating is automatically re-calculated at the market close on every day the market on which the stock is listed is open. Our analysts keep close tabs on the companies they follow, and, based on thorough and ongoing analysis, raise or lower their fair value estimates as warranted.

Please note, there is no predefined distribution of stars. That is, the percentage of stocks that earn 5 stars can fluctuate daily, so the star ratings, in the aggregate, can serve as a gauge of the broader market’s valuation. When there are many 5-star stocks, the stock market as a whole is more undervalued, in our opinion, than when very few companies garner our highest rating.

We expect that if our base-case assumptions are true the market price will converge on our fair value estimate over time generally within three years (although it is impossible to predict the exact time frame in which market prices may adjust).

Our star ratings are guideposts to a broad audience and individuals must consider their own specific investment goals, risk tolerance, tax situation, time horizon, income needs, and complete investment portfolio, among other factors.

The Morningstar Star Ratings for stocks are defined below:

★★★★★ We believe appreciation beyond a fair risk-adjusted return is highly likely over a multiyear time frame. Scenario analysis developed by our analysts indicates that the current market price represents an excessively pessimistic outlook, limiting downside risk and maximizing upside potential.

★★★★ We believe appreciation beyond a fair risk-adjusted return is likely.

★★★ Indicates our belief that investors are likely to receive a fair risk-adjusted return (approximately cost of equity).

★★ We believe investors are likely to receive a less than fair risk-adjusted return.

★ Indicates a high probability of undesirable risk-adjusted returns from the current market price over a multi-year time frame, based on our analysis. Scenario analysis by our analysts indicates that the market is pricing in an excessively optimistic outlook, limiting upside potential and leaving the investor exposed to Capital loss.

Other Definitions

Last Price: Price of the stock as of the close of the market of the last trading day before date of the report.

Capital Allocation Rating: Our Capital Allocation (or Stewardship) Rating represents our assessment of the quality of management’s capital allocation, with particular emphasis on the firm’s balance sheet, investments,

Research Methodology for Valuing Companies

and shareholder distributions. Analysts consider companies' investment strategy and valuation, balance sheet management, and dividend and share buyback policies. Corporate governance factors are only considered if they are likely to materially impact shareholder value, though either the balance sheet, investment, or shareholder distributions. Analysts assign one of three ratings: "Exemplary", "Standard", or "Poor". Analysts judge Capital Allocation from an equity holder's perspective. Ratings are determined on a forward looking and absolute basis. The Standard rating is most common as most managers will exhibit neither exceptionally strong nor poor capital allocation.

Capital Allocation (or Stewardship) analysis published prior to Dec. 9, 2020, was determined using a different process. Beyond investment strategy, financial leverage, and dividend and share buyback policies, analysts also considered execution, compensation, related party transactions, and accounting practices in the rating.

Capital Allocation Rating: Our Capital Allocation (or Stewardship) Rating represents our assessment of the quality of management's capital allocation, with particular emphasis on the firm's balance sheet, investments, and shareholder distributions. Analysts consider companies' investment strategy and valuation, balance sheet management, and dividend and share buyback policies. Corporate governance factors are only considered if they are likely to materially impact shareholder value, though either the balance sheet, investment, or shareholder distributions. Analysts assign one of three ratings: "Exemplary", "Standard", or "Poor". Analysts judge Capital Allocation from an equity holder's perspective. Ratings are determined on a forward looking and absolute basis. The Standard rating is most common as most managers will exhibit neither exceptionally strong nor poor capital allocation.

Capital Allocation (or Stewardship) analysis published prior to Dec. 9, 2020, was determined using a different process. Beyond investment strategy, financial leverage, and dividend and share buyback policies, analysts also considered execution, compensation, related party transactions, and accounting practices in the rating.

Sustainalytics ESG Risk Rating Assessment: The ESG Risk Rating Assessment is provided by Sustainalytics; a Morningstar company.

Sustainalytics' ESG Risk Ratings measure the degree to which company's economic value at risk is driven by environment, social and governance (ESG) factors.

Sustainalytics analyzes over 1,300 data points to assess a company's exposure to and management of ESG risks. In other words, ESG Risk Ratings measures a company's unmanaged ESG Risks represented as a quantitative score.

Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) with lower scores representing less unmanaged risk and, for 95% of cases, the unmanaged ESG Risk score is below 50.

Based on their quantitative scores, companies are grouped into one of five Risk Categories (negligible, low, medium, high, severe). These risk categories are absolute, meaning that a 'high risk' assessment reflects a comparable degree of unmanaged ESG risk across all subindustries covered.

The ESG Risk Rating Assessment is a visual representation of Sustainalytics ESG Risk Categories on a 1 to 5 scale. Companies with Negligible Risk = 5 Globes, Low Risk = 4, Medium Risk = 3 Globes, High Risk = 2 Globes, Severe Risk = 1 Globe. For more information, please visit sustainalytics.com/esg-ratings/

Ratings should not be used as the sole basis in evaluating a company or security. Ratings involve unknown risks and uncertainties which may cause our expectations not to occur or to differ significantly from what was expected and should not be considered an offer or solicitation to buy or sell a security.

Risk Warning

Please note that investments in securities are subject to market and other risks and there is no assurance or guarantee that the intended investment objectives will be achieved. Past performance of a security may or may not be sustained in future and is no indication of future performance. A security investment return and an investor's principal value will fluctuate so that, when redeemed, an investor's shares may be worth more or less than their original cost. A security's current investment performance may be lower or higher than the investment performance noted within the report. Morningstar's Uncertainty Rating serves as a useful data point with respect to sensitivity analysis of the assumptions used in our determining a fair value price.

General Disclosure

Unless otherwise provided in a separate agreement, recipients accessing this report may only use it in the country in which the Morningstar distributor is based. Unless stated otherwise, the original distributor of the report is Morningstar Research Services LLC, a U.S.A. domiciled financial institution.

This Report is for informational purposes, should not be the sole piece of information used in making an investment decision, and has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. This publication is intended to provide information to assist investors in making their

own investment decisions, not to provide investment advice to any specific investor. Therefore, investments discussed herein may not be suitable for all investors; investors must exercise their own independent judgment as to the suitability of such investments and recommendations in the light of their own investment objectives, experience, taxation status and financial position. Morningstar encourages Report recipients to read all relevant issue documents (e.g., prospectus) pertaining to the security concerned, including without limitation, information relevant to its investment objectives, risks, and costs before making an investment decision and when deemed necessary, to seek the advice of a financial, legal, tax, and/or accounting professional. The information, data, analyses and opinions presented herein are not warranted to be accurate, correct, complete or timely. Unless otherwise provided in a separate agreement, neither Morningstar, Inc. or the Equity Research Group represents that the report contents meet all of the presentation and/or disclosure standards applicable in the jurisdiction the recipient is located.

Except as otherwise required by law or provided for in a separate agreement, the analyst, Morningstar, Inc. and the Equity Research Group and their officers, directors and employees shall not be responsible or liable for any trading decisions, damages or other losses resulting from, or related to, the information, data, analyses or opinions within the report.

The Report and its contents are not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Morningstar, Inc. or its affiliates to any registration or licensing requirements in such jurisdiction.

Where this report is made available in a language other than English and in the case of inconsistencies between the English and translated versions of the report, the English version will control and supersede any ambiguities associated with any part or section of a report that has been issued in a foreign language. Neither the analyst, Morningstar, Inc., or the Equity Research Group guarantees the accuracy of the translations.

This report may be distributed in certain localities, countries and/or jurisdictions ("Territories") by independent third parties or independent intermediaries and/or distributors ("Distributors"). Such Distributors are not acting as agents or representatives of the analyst, Morningstar, Inc. or the Equity Research Group. In Territories where a Distributor distributes our report, the Distributor is solely responsible for complying with all applicable regulations, laws, rules, circulars, codes and guidelines established

Research Methodology for Valuing Companies

by local and/or regional regulatory bodies, including laws in connection with the distribution third-party research reports.

Conflicts of Interest

- ▶ No interests are held by the analyst with respect to the security subject of this investment research report.
- ▶ Morningstar, Inc. may hold a long position in the security subject of this investment research report that exceeds 0.5% of the total issued share capital of the security. To determine if such is the case, please click <http://msi.morningstar.com> and <http://mdi.morningstar.com>
- ▶ Analysts' compensation is derived from Morningstar, Inc.'s overall earnings and consists of salary, bonus and in some cases restricted stock.
- ▶ Neither Morningstar, Inc. or the Equity Research Group receives commissions for providing research nor do they charge companies to be rated.
- ▶ Morningstar's overall earnings are generated in part by the activities of the Investment Management and Research groups, and other affiliates, who provide services to product issuers.
- ▶ Morningstar employees may not pursue business and employment opportunities outside Morningstar within the investment industry (including but not limited to, working as a financial planner, an investment professional or investment professional representative, a broker-dealer or broker-dealer agent, a financial writer, reporter, or analyst) without the approval of Morningstar's Legal and if applicable, Compliance teams.
- ▶ Neither Morningstar, Inc. or the Equity Research Group is a market maker or a liquidity provider of the security noted within this report.
- ▶ Neither Morningstar, Inc. or the Equity Research Group has been a lead manager or co-lead manager over the previous 12-months of any publicly disclosed offer of financial instruments of the issuer.
- ▶ Morningstar, Inc.'s investment management group does have arrangements with financial institutions to provide portfolio management/investment advice some of which an analyst may issue investment research reports on. However, analysts do not have authority over Morningstar's investment management group's business arrangements nor allow employees from the investment management group to participate or influence the analysis or opinion prepared by them.
- ▶ Morningstar, Inc. is a publicly traded company (Ticker Symbol: MORN) and thus a financial institution the security of which is the subject of this report may own more than 5% of Morningstar, Inc.'s total outstanding shares. Please access Morningstar, Inc.'s proxy statement, "Security Ownership of Certain Beneficial Owners and Management" section <https://shareholders.morningstar.com/investor-relations/financials/sec-filings/default.aspx>

- ▶ Morningstar, Inc. may provide the product issuer or its related entities with services or products for a fee and on an arms' length basis including software products and licenses, research and consulting services, data services, licenses to republish our ratings and research in their promotional material, event sponsorship and website advertising.

Further information on Morningstar, Inc.'s conflict of interest policies is available from <http://global.morningstar.com/equitydisclosures>. Also, please note analysts are subject to the CFA Institute's Code of Ethics and Standards of Professional Conduct.

Risk Warning Please note that investments in securities are subject to market and other risks and there is no assurance or guarantee that the intended investment objectives will be achieved. Past performance of a security may or may not be sustained in future and is no indication of future performance. A security's investment return and an investor's principal value will fluctuate so that, when redeemed, an investor's shares may be worth more or less than their original cost. A security's current investment performance may be lower or higher than the investment performance noted within the report. For investments in foreign markets there are further risks, generally based on exchange rate changes or changes in political and social conditions.

For more information about Morningstar's methodologies, please visit global.morningstar.com/equitydisclosures

For a list of securities which the Equity Research Group currently covers and provides written analysis on please contact your local Morningstar office. In addition, for historical analysis of securities covered, including their fair value estimate, please contact your local office.

For recipients in Australia: This Report has been issued and distributed in Australia by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544; ASFL: 240892). Morningstar Australasia Pty Ltd is the provider of the general advice ('the Service') and takes responsibility for the production of this report. The Service is provided through the research of investment products.

To the extent the Report contains general advice it has been prepared without reference to an investor's objectives, financial situation or needs. Investors should consider the advice in light of these matters and, if applicable, the relevant Product Disclosure Statement before making any decision to invest. Refer to our Financial Services Guide (FSG) for more information at <http://www.morningstar.com.au/fsg.pdf>

For recipients in New Zealand: This report has been is-

sued and distributed by Morningstar Australasia Pty Ltd and/or Morningstar Research Ltd (together 'Morningstar'). This report has been prepared and is intended for distribution in New Zealand to wholesale clients only and has not been prepared for use by New Zealand retail clients (as those terms are defined in the Financial Markets Conduct Act 2013). The information, views and any recommendations in this material are provided for general information purposes only, and solely relate to the companies and investment opportunities specified within. Our reports do not take into account any particular investor's financial situation, objectives or appetite for risk, meaning no representation may be implied as to the suitability of any financial product mentioned for any particular investor. We recommend seeking financial advice before making any investment decision.

For recipients in Hong Kong: The Report is distributed by Morningstar Investment Management Asia Limited, which is regulated by the Hong Kong Securities and Futures Commission to provide services to professional investors only. Neither Morningstar Investment Management Asia Limited, nor its representatives, are acting or will be deemed to be acting as an investment professional to any recipients of this information unless expressly agreed to by Morningstar Investment Management Asia Limited.

For recipients in India: This investment research is issued by Morningstar Investment Adviser India Private Limited. Morningstar Investment Adviser India Private Limited is registered with SEBI as a Portfolio Manager (registration number INP000006156) and as a Research Entity (registration number INH000008686). Morningstar Investment Adviser India Private Limited has not been the subject of any disciplinary action by SEBI or any other legal/regulatory body. Morningstar Investment Adviser India Private Limited is a wholly owned subsidiary of Morningstar Investment Management LLC. In India, Morningstar Investment Adviser India Private Limited has one associate, Morningstar India Private Limited, which provides data-related services, financial data analysis, and software development. The research analyst has not served as an officer, director, or employee of the fund company within the last 12 months, nor have they or their associates engaged in market-making activity for the fund company. The ESG-related information, methodologies, tool, ratings, data and opinions contained or reflected herein are not directed to or intended for use or distribution to India-based clients or users and their distribution to Indian resident individuals or entities is not permitted, and Morningstar/Sustainalytics accepts no responsibility or liability whatsoever for the actions of third parties in this respect.

*The Conflicts of Interest disclosure above also applies to relatives and associates of Manager Research Analysts in

Research Methodology for Valuing Companies

India # The Conflicts of Interest disclosure above also applies to associates of Manager Research Analysts in India. The terms and conditions on which Morningstar Investment Adviser India Private Limited offers Investment Research to clients, varies from client to client, and are detailed in the respective client agreement.

For recipients in Japan: The Report is distributed by Ibbotson Associates Japan, Inc., which is regulated by Financial Services Agency, for informational purposes only. Neither Ibbotson Associates Japan, Inc., nor its representatives, are acting or will be deemed to be acting as an investment professional to any recipients of this information.

For recipients in Singapore: The Report is intended for Institutional Investor audiences and is distributed by Morningstar Investment Adviser Singapore Pte. Limited, which is licensed by the Monetary Authority of Singapore to provide financial advisory services in Singapore. Morningstar Investment Adviser Singapore Pte. Limited is the entity responsible for the creation and distribution of the research services described in this Report.

This content is provided for informational purposes only and may be shared or redistributed by Institutional Investors to their clients or other permitted persons, subject to obtaining the appropriate licence from Morningstar. Redistribution of this content is subject to any applicable conditions or limitations, including those agreed commercially or contractually with Morningstar. The person who shares or redistributes this content shall be solely responsible for compliance with all relevant legal and regulatory obligations in the jurisdictions in which the material is made available.

Investors should consult a financial adviser regarding the suitability of any investment product, taking into account their specific investment objectives, financial situation or particular needs, before making any investment decision.

Morningstar, Inc., and its affiliates rely on certain exemptions (Financial Advisers Regulations, Section 27(1)(e), Section 32B and 32C) to provide its investment research to recipients in Singapore.

For recipients in Korea: The report is distributed by Morningstar Korea Ltd., which has filed to the Financial Services Committee, for informational purposes only. Neither Morningstar Korea Ltd. nor its representatives are acting or will be deemed to be acting as an investment advisor to any recipients of this information.