RBC Capital Markets

Top 30 Global Ideas for 2026

First-Quarter Update

EQUITY RESEARCH | January 5, 2026

For Required Non-U.S. Analyst and Conflicts Disclosures, see page 38

Disseminated: Jan 5, 2026 02:20EST; Produced: Jan 5, 2026 02:20EST

Table of Contents

This report is priced as of market close on December 31, 2025, unless otherwise noted.

Introduction

Graeme Pearson – Co-Head of Global Research

Mark Odendahl – Co-Head of Global Research

Our *Top 30 Global Ideas* is a list of high-conviction, long-term, bottom-up best ideas, with quarterly updates that enable dynamic changes into names where we see higher-conviction upside potential.

Performance Review

Over the past quarter, the Q4/25 *Top 30* list delivered a total return of -0.4% in USD terms vs. the MSCI World Index at +2.7%. The best-performing *Top 30* stock selections in Q4/25 were Barrick (+30%), DuPont (+23%) and Loblaw (+17%). Over the past year, the *Top 30* total return was +14.4% vs. the benchmark at +20.1%, and since inception of our quarterly list at YE2019, the *Top 30* has delivered a total compound annual return of +14.0%, above the benchmark at +12.8%.

Changes This Quarter

Additions: Airbnb (ABNB US), Alcon (ALC SW), Amazon.com (AMZN US), Engie (ENGI FP), International Paper (IP US), Royal Gold (RGLD US), Shopify (SHOP US), The Williams Companies (WMB US), Visa (V US), Wisetech Global (WTC AU), Xcel Energy (XEL US)

Deletions: Alimentation Couche-Tard (ATD CN), Barrick Mining (B US), CSX (CSX US), EDP Renovaveis (EDPR PL), Ferrari (RACE IM), HubSpot (HUBS US), NIKE (NKE US), PayPal (PYPL US), Pembina Pipeline (PPL CN), Wells Fargo (WFC US), Wix.com (WIX US)

Maintains: Air Products and Chemicals (APD US), Biogen (BIIB US), Boston Scientific (BSX US), Brookfield Corp. (BN US), ConocoPhillips (COP US), Constellation Software (CSU CN), DuPont de Nemours (DD US), Loblaw (L CN), L'Oreal (OR FP), Microsoft (MSFT US), Moody's (MCO US), Palo Alto Networks (PANW US), RB Global (RBA US), Safran (SAF FP), Schneider Electric (SU FP), Snowflake (SNOW US), U.S. Bancorp (USB US), Ventas (VTR US), Xylem (XYL US)

This quarter, in **Consumer** we add **Airbnb (ABNB US)** and **Amazon.com (AMZN US)** as top ideas within our Internet coverage. We see **Airbnb** as an increasingly attractive brand monetization story with strong 1p data which is likely worth a premium in the evolving consumer AI landscape. We're bullish on the entry into hotels, improved competitive positioning around pricing and conversion, and Airbnb's relative AI defensiveness compared to traditional OTAs with strong brand and high direct usage. In our view, **Amazon** offers best-in-class visibility on AI infrastructure ROIC, with a compelling product cycle/capacity acceleration cycle ahead. We like AWS's structural positioning as the most diversified & hedged on sources of revenue, with core business largely unaffected by GenAI/not competing with OpenAI, and arguably the most rational hyperscaler in terms of capex spend. We remove **Alimentation Couche-Tard (ATD CN), Ferrari (RACE IM)** and **NIKE (NKE US)** while maintaining our Outperform ratings.

In **Energy**, within Midstream we add **Williams (WMB US)**, which we think will be a significant beneficiary of growing power and natural gas demand given its existing asset footprint and attractive opportunity set (including transmission project expansions and Power Innovation projects) that can drive growth through 2030 and beyond, with the February 2026 analyst day serving as the next key catalyst. We switch out of **Pembina (PPL CN)** while reiterating our positive thesis.

In **Financials** we add **Visa (V US)**, which we view as a "trust agent" in the evolving agentic commerce ecosystem. We think Visa is well-positioned to capitalize on global consumer growth, the adoption of new technologies, and a strategic shift toward value-added services, supporting long-term high-single-digit to low-double-digit revenue growth. We remove **PayPal (PYPL US)** and **Wells Fargo (WFG US)** while maintaining our Outperform ratings on both names.

In **Health Care** we add **Alcon (ALC SW)**, with our positive outlook underpinned by mid-term earnings growth from its Unity ophthalmic surgery platform and an expansion of the presbyopia-correcting intraocular lens market, which we expect to offset competitive pressures. Near-term, we expect continued delivery on launch rollouts and FY25 results in February to de-risk margin expansion expectations and support share price recovery.

In **Information Technology** we add **Shopify (SHOP US)** and **Wisetech Global (WTC AU)**. We view **Shopify** as a compelling organic growth story; while valuation has expanded to the high end of its 3-year range and above fast-growing SaaS peers, we believe Shopify is likely to continue to see strong growth due to market share gains (enterprise, international), uptake of new products, and resilient consumer spending. We believe **Wisetech**, a global logistics software leader, is set to benefit from a new consumption-based model, product rollouts, US expansion and ~$50m in cost synergies by FY27, positioning it for strong sales, margin expansion and a potential re-rating. We remove **HubSpot (HUBS US)** and **Wix.com (WIX US)** while maintaining our Outperform ratings.

In **Materials** we add **International Paper (IP US)** and **Royal Gold (RGLD US).** We believe **International Paper** is set to benefit from recent North American containerboard capacity rationalization, which should allow for price increases in H1/26. In addition, the company is executing on meaningful self-help initiatives which we expect to drive significant EBITDA improvement by 2027. In our view, **Royal Gold** offers attractive precious metals exposure at a discount to royalty peers, stable production from its existing portfolio through 2030+, strong free cash flow generation to support acquisitions and dividend growth, and relatively low guidance risk with YE25 reporting. We remove **Barrick (B US)** following strong share price appreciation since added to the *Top 30*, while maintaining our Outperform rating.

In **Utilities** we add **Engie (ENGI FP)** and **Xcel (XEL US)**. In our view, **Engie**'s streamlined operations, robust capex plan, and leading battery energy storage portfolio position it for potential EPS upside of 7-15% by 2027. Engie's US portfolio is poised to benefit from datacenter demand and power price increases, while geographic diversity reduces US policy risk. Despite its sector-leading battery storage exposure, Engie is trading at a material P/E discount to peers and 6-7% dividend yield. For **Xcel**, we expect accelerating earnings growth fueled by increased capex and enhanced recovery mechanisms, and believe valuation remains attractive given top-quartile growth profile. Key potential catalysts include Colorado generation capex upside in 2026. We switch out of **EDP Renovaveis (EDPR PL)** while maintaining our positive outlook.

Finally, in **Industrials** we remove **CSX (CSX US)** in favor of high-conviction stock selections in other sectors, while reiterating our Outperform rating.

This report contains detail on our investment thesis for each *Top 30* name, and we encourage you to reach out to our team to continue the dialogue regarding their investment ideas.

Top 30 Global Ideas for 2026 – Analyst Coverage and Pricing Data

Company	Pricing Symbol	Analyst	Rating	Trading Currency	Closing Price (12/31/2025)	Market Cap (MM)	Price Target	Div. Yield (%)	Implied All-in Return (%)
Air Products and Chemicals, Inc.	APD US	Arun Viswanathan	Outperform	USD	247.02	55,036	325.00	2.9	34.5
Airbnb, Inc.	ABNB US	Brad Erickson	Outperform	USD	135.72	87,675	170.00	0.0	25.3
Alcon AG	ALC SW	Jack Reynolds-Clark	Outperform	CHF	63.28	31,450	80.00	0.4	26.9
Amazon.com, Inc.	AMZN US	Brad Erickson	Outperform	USD	230.82	2,503,243	300.00	0.0	30.0
Biogen Inc.	BIIB US	Brian Abrahams	Outperform	USD	175.99	25,677	210.00	0.0	19.3
Boston Scientific Corporation	BSX US	Shagun Singh	Outperform	USD	95.35	142,584	130.00	0.0	36.3
Brookfield Corporation	BN US	Bart Dziarski	Outperform	USD	45.89	103,037	58.00	0.5	26.9
ConocoPhillips	COP US	Scott Hanold	Outperform	USD	93.61	115,676	118.00	3.6	29.6
Constellation Software Inc.	CSU CN	Paul Treiber	Outperform	CAD	3,310.00	70,144	5,600.00	0.2	69.4
DuPont de Nemours, Inc.	DD US	Arun Viswanathan	Outperform	USD	40.20	16,432	48.00	2.0	21.4
Engie	ENGI FP	Joseph Pepper	Outperform	EUR	22.41	53,739	25.00	6.2	17.7
International Paper Company	IP US	Matthew McKellar	Outperform	USD	39.39	20,798	55.00	4.7	44.3
Loblaw Companies Limited	L CN	Irene Nattel	Outperform	CAD	62.05	73,501	68.00	0.9	10.5
L'Oreal	OR FP	Wassachon (Fon) Udomsilpa	Outperform	EUR	366.60	196,498	410.00	1.9	13.8
Microsoft Corporation	MSFT US	Rishi Jaluria	Outperform	USD	483.62	3,608,289	640.00	0.6	32.9
Moody's Corporation	MCO US	Ashish Sabadra	Outperform	USD	510.85	91,874	610.00	0.5	19.9
Palo Alto Networks, Inc.	PANW US	Matthew Hedberg	Outperform	USD	184.20	135,276	250.00	0.0	35.7
RB Global, Inc.	RBA US	Sabahat Khan	Outperform	USD	102.87	19,103	133.00	1.1	30.4
Royal Gold, Inc.	RGLD US	Josh Wolfson	Outperform	USD	222.29	18,773	260.00	0.8	17.8
Safran	SAF FP	Ken Herbert	Outperform	EUR	297.40	124,294	340.00	0.8	15.1
Schneider Electric SE	SU FP	Mark Fielding	Outperform	EUR	234.90	131,508	270.00	1.8	16.7
Shopify Inc.	SHOP US	Paul Treiber	Outperform	USD	160.97	211,333	200.00	0.0	24.3
Snowflake Inc.	SNOW US	Matthew Hedberg	Outperform	USD	219.36	86,647	300.00	0.0	36.8
The Williams Companies, Inc.	WMB US	Elvira Scotto	Outperform	USD	60.11	73,454	75.00	3.3	28.1
U.S. Bancorp	USB US	Gerard Cassidy	Outperform	USD	53.36	83,028	57.00	3.9	10.8
Visa Inc.	V US	Daniel R. Perlin	Outperform	USD	350.71	682,131	395.00	0.8	13.4
Wisetech Global Limited	WTC AU	Garry Sherriff	Outperform	AUD	68.46	22,421	110.00	0.3	61.0
Xcel Energy Inc.	XEL US	Stephen D'Ambrisi	Outperform	USD	73.86	43,138	97.00	3.3	34.6
Ventas, Inc.	VTR US	Michael Carroll	Outperform	USD	77.38	35,858	83.00	2.5	9.7
Xylem Inc.	XYL US	Deane Dray	Outperform	USD	136.18	24,635	176.00	0.9	30.2

Notes:

Past performance is not necessarily indicative of future performance. Price performance does not take into account relevant costs, including commissions and interest charges or other applicable expenses that may be associated with transactions in these shares.

Source: Bloomberg and RBC Capital Markets estimates

Top 30 Global Ideas for 2026 – Changes This Quarter

Company	Pricing Symbol	Analyst	Rating	Trading Currency	Closing Price (12/31/2025)	Market Cap (MM)	Price Target	Div. Yield (%)	Implied All-in Return (%)
Additions this quarter:									
Airbnb, Inc.	ABNB US	Brad Erickson	Outperform	USD	135.72	87,675	170.00	0.0	25.3
Alcon AG	ALC SW	Jack Reynolds-Clark	Outperform	CHF	63.28	31,450	80.00	0.4	26.9
Amazon.com, Inc.	AMZN US	Brad Erickson	Outperform	USD	230.82	2,503,243	300.00	0.0	30.0
Engie	ENGI FP	Joseph Pepper	Outperform	EUR	22.41	53,739	25.00	6.2	17.7
International Paper Company	IP US	Matthew McKellar	Outperform	USD	39.39	20,798	55.00	4.7	44.3
Royal Gold, Inc.	RGLD US	Josh Wolfson	Outperform	USD	222.29	18,773	260.00	0.8	17.8
Shopify Inc.	SHOP US	Paul Treiber	Outperform	USD	160.97	211,333	200.00	0.0	24.3
The Williams Companies, Inc.	WMB US	Elvira Scotto	Outperform	USD	60.11	73,454	75.00	3.3	28.1
Visa Inc.	V US	Daniel R. Perlin	Outperform	USD	350.71	682,131	395.00	0.8	13.4
Wisetech Global Limited	WTC AU	Garry Sherriff	Outperform	AUD	68.46	22,421	110.00	0.3	61.0
Xcel Energy Inc.	XEL US	Stephen D'Ambrisi	Outperform	USD	73.86	43,138	97.00	3.3	34.6
Deletions this quarter:									
Alimentation Couche-Tard Inc.	ATD CN	Irene Nattel	Outperform	CAD	74.96	69,855	91.00	1.2	22.6
Barrick Mining Corporation	B US	Josh Wolfson	Outperform	USD	43.55	71,296	51.00	2.3	19.4
CSX Corporation	CSX US	Walter Spracklin	Outperform	USD	36.25	67,679	40.00	1.6	11.9
EDP Renovaveis Sociedad Anonima	EDPR PL	Fernando Garcia	Outperform	EUR	12.04	12,799	16.00	1.1	34.0
Ferrari N V	RACE IM	Tom Narayan	Outperform	EUR	318.70	56,856	435.00	0.9	37.4
HubSpot, Inc.	HUBS US	Rishi Jaluria	Outperform	USD	401.30	21,676	800.00	0.0	99.4
NIKE, Inc.	NKE US	Piral Dadhania	Outperform	USD	63.71	94,775	85.00	1.9	35.3
PayPal Holdings, Inc.	PYPL US	Daniel R. Perlin	Outperform	USD	58.38	56,045	91.00	1.0	56.8
Pembina Pipeline Corporation	PPL CN	Maurice Choy	Outperform	CAD	52.33	30,404	62.00	5.4	23.9
Wells Fargo & Company	WFC US	Gerard Cassidy	Outperform	USD	93.20	293,487	100.00	1.9	9.2
Wix.com Ltd.	WIX US	Brad Erickson	Outperform	USD	103.89	6,188	155.00	0.0	49.2

Notes:

Past performance is not necessarily indicative of future performance. Price performance does not take into account relevant costs, including commissions and interest charges or other applicable expenses that may be associated with transactions in these shares.

Source: Bloomberg and RBC Capital Markets estimates

Top 30 Global Ideas – Performance Summary

Although the *Top 30* is not intended to be a relative product, having been created to capture RBC Capital Markets' best ideas on an absolute basis, we compare the performance of the *Top 30* to the MSCI Developed World Index and regional indices to provide context for its returns. See the performance tables below for Q4 2025, 2025 and since inception (December 2019).

Ticker	Company	Total Return Q4 2025* (in local currency)	Total Return Q4 2025* (in USD)
B US	Barrick Mining Corporation	29.7%	29.7%
DD US	DuPont de Nemours, Inc.	23.5%	23.5%
L CN	Loblaw Companies Ltd.	15.1%	17.0%
WFC US	Wells Fargo & Company	15.8%	15.8%
BIIB US	Biogen Inc.	14.1%	14.1%
USB US	U.S. Bancorp	12.5%	12.5%
VTR US	Ventas, Inc.	10.7%	10.7%
MCO US	Moody's Corp.	6.7%	6.7%
CSX US	CSX Corporation	4.0%	4.0%
ATD CN	Alimentation Couche-Tard Inc.	0.7%	2.4%
EDPR PL	EDP Renovaveis SA	1.9%	2.0%
BN US	Brookfield Corporation	1.5%	1.5%
OR FP	L'Oreal SA	0.1%	0.2%
SAF FP	Safran SA	-0.3%	-0.2%
BSX US	Boston Scientific Corporation	-0.5%	-0.5%
COP US	ConocoPhillips	-1.0%	-1.0%
PPL CN	Pembina Pipeline Corporation	-4.7%	-3.2%
SU FP	Schneider Electric SE	-4.1%	-4.0%
RBA US	RB Global, Inc.	-4.0%	-4.0%
SNOW US	Snowflake Inc.	-4.9%	-4.9%
MSFT US	Microsoft Corporation	-6.8%	-6.8%
XYL US	Xylem Inc.	-7.7%	-7.7%
APD US	Air Products and Chemicals, Inc.	-8.1%	-8.1%
HUBS US	HubSpot, Inc.	-8.8%	-8.8%
PANW US	Palo Alto Networks, Inc.	-10.9%	-10.9%
CSU CN	Constellation Software Inc.	-13.6%	-12.2%
PYPL US	PayPal Holdings, Inc.	-12.2%	-12.2%
NKE US	NIKE, Inc.	-13.6%	-13.6%
RACE IM	Ferrari NV	-23.0%	-22.8%
WIX US	Wix.com Ltd.	-32.4%	-32.4%
	Average total return for RBC CM Top 30 Global Ideas in Q4 2025	***-0.7%***	***-0.4%***

Total Return (in local currency)*

Indices		Q4 2025	2025	Since Inception (Annualized)
	RBC CM Top 30 Global Ideas	**-0.7%**	**10.1%**	**13.9%**
SPTSX Index	S&P/TSX Composite Index	6.0%	29.9%	14.3%
SXXP Index	STOXX Europe 600 Price Index	5.3%	20.5%	9.5%
NDDUWI Index	MSCI World Net Total Return US	2.7%	20.1%	12.8%
SPX Index	S&P 500 Index	2.3%	16.6%	15.1%
AS51 Index	S&P/ASX 200	-0.9%	10.2%	9.7%

Total Return (in USD)*

Indices		Q4 2025	2025	Since Inception (Annualized)
	RBC CM Top 30 Global Ideas	**-0.4%**	**14.4%**	**14.0%**
SPTSX Index	S&P/TSX Composite Index	7.7%	36.9%	13.3%
SXXP Index	STOXX Europe 600 Price Index	5.4%	37.3%	10.3%
NDDUWI Index	MSCI World Net Total Return US	2.7%	20.1%	12.8%
SPX Index	S&P 500 Index	2.3%	16.6%	15.1%
AS51 Index	S&P/ASX 200	0.1%	18.4%	8.8%

Notes: *Q4 2025 performance calculated from the *Top 30* Q4 2025 update published pre-market October 2, 2025 to December 31, 2025. 2025 performance calculated from the *Top 30* Q1 2025 update published pre-market January 6, 2025 to December 31, 2025. Since inception performance calculated from YE2019. Past performance is not necessarily indicative of future performance. Price performance does not take into account relevant costs, including commissions and interest charges or other applicable expenses that may be associated with transactions in these shares.

Source: Bloomberg and RBC Capital Markets

Investment Thesis

Air Products and Chemicals, Inc. (NYSE: APD)

RBC Capital Markets, LLC
Arun Viswanathan, CFA (Analyst) (212) 301-1611, arun.viswanathan@rbccm.com

Rating: Outperform	**Closing Price: USD 247.02**
Price Target: USD 325.00	**Implied All-in Return (%): 34.5**

Investment summary

Best-in-class distribution method. APD primarily engages in on-site/pipeline gas distribution. This method typically has longer contract terms than other mediums and has significant barriers of entry due to the need for building a pipeline. Companies face lower risk of disruption from new entrants when they utilize high levels of on-site distribution vs liquid bulk or packaged.

Superior margin profile. APD has consistently grown top line and EBITDA despite market troughs. The company's FY24 EBITDA margin was 41.7%, greater than that of its Industrial Gas peers.

New discipline around CapEx. Following Mantle Ridge's 2024 activist campaign, new CEO Eduardo Menezes has committed to reducing CapEx. APD plans to cut back on underperforming projects, canceling some and refocusing scope to more predictable, core industrial gas for others. Overall, APD plans to reduce CapEx from $5B in FY25 to $2.5B in FY30, paving the way for neutral to positive cash flow.

Return to core industrial gas operations. APD's expertise lies in its core industrial gas operations. Not only do pure-play industrial gas companies trade on higher multiples than diversified chemical/gas companies, they are more predictable than APD's historical speculative projects.

Valuation

We value APD using a target P/E multiple of 25x on our 2026E EPS estimate of $13, resulting in our base-case price target of $325. APD has traded in a range of ~20-35x since 2014, averaging ~22x, closer to LIN as it returns to core industrial gas. Furthermore, in 2025, APD has been trading towards the higher end of the range. In this base case, we assume strong hydrogen demand with mega projects coming online as targeted, continued net-zero headwinds, and relatively flat EBITDA margins. Our price target supports our Outperform rating.

Risks to rating and price target

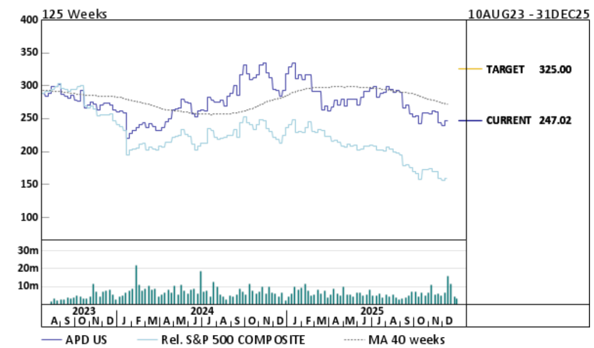
Continued inflation, tariffs, and economic conditions. Air Products sources most of its products locally within region, so tariffs could have a limited impact. However, APD could still see impacts to its international projects. Continued inflation and changes in the supply/demand dynamics could also negatively impact APD's markets.

Inability to implement price increases to offset higher costs. APD enters into longer, multi-year contracts with its customers. The inability to raise prices to offset cost increases, namely energy costs to run its plants, could continue to erode EBITDA margins.

Project delays and geopolitical risks. APD operates in a variety of internationally sensitive geographies, such as Saudi Arabia. Project delays due to government actions would negatively impact sales and margins. Finally, APD's large international presence could result in FX risk.

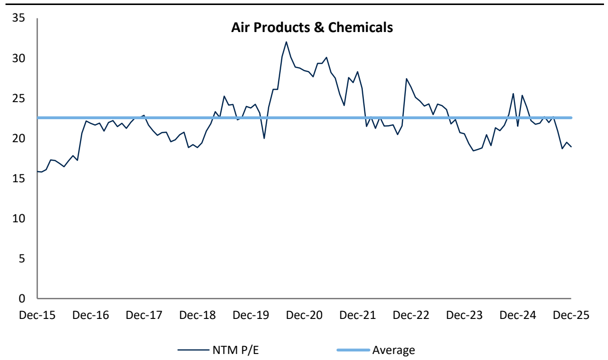
Change in legislation surrounding hydrogen. Currently, there is a push for lower carbon emission fuel, such as hydrogen. A move from gray, to blue, to green hydrogen is already occurring. However, any delay, change, or reversal to this push for hydrogen fuel could impact APD.

Exhibit 1 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 2 - Forward consensus P/E history



Source: Factset

Most recent company note: link

Airbnb, Inc. (NASDAQ: ABNB)

RBC Capital Markets, LLC
Brad Erickson (Analyst) (971) 842-9607, brad.erickson@rbccm.com

Rating: Outperform | **Closing Price: USD 135.72**
Price Target: USD 170.00 | **Implied All-in Return (%): 25.3**

Investment summary

ABNB is the leader in private & alternative accommodations, a market that we see both expanding the overall travel market and taking share from existing modalities, such as hotel. Over time, through its strong direct customer relationship, we believe the company can continue showing organic growth as well as increasingly unlock value through monetization via adjacent products and also entering new sub-verticals.

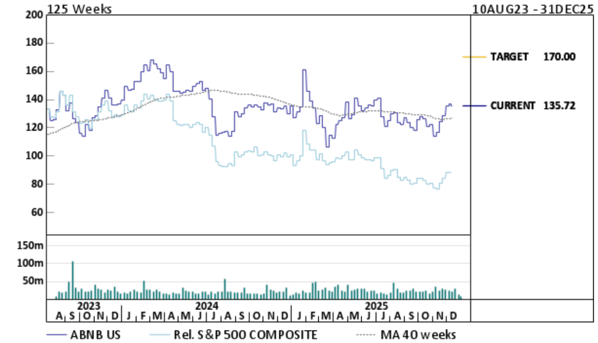
Valuation

The stock trades at 17x EV/'26E EBITDA. We believe a premium valuation may be warranted given the differentiated brand, stronger defensibility against AI disruptions due to brand loyalty and direct usage, clear category leadership, improved competitive positioning in pricing and conversion, and increasing optionality over time. We apply a 22x multiple to our EV/'26E EBITDA to derive our price target of $170 which supports our Outperform rating.

Risks to rating and price target

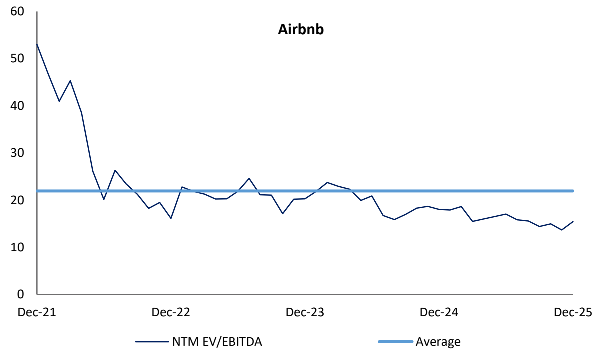
Risks to rating and price target include: (1) virus relapses; (2) an adverse change in the competitive landscape; (3) regulatory changes; (4) natural disasters; (5) situations involving geo-political or social unrest and violence, terrorism; (6) interest rates; and (7) a macroeconomic downturn.

Exhibit 3 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 4 - Forward consensus EV/EBITDA history



Source: Factset

Most recent company note: link

Alcon AG (SWX: ALC)

RBC Europe Limited
Jack Reynolds-Clark, CFA (Analyst) +44 20 74 298877, jack.reynoldsclark@rbccm.com

Rating: Outperform	**Closing Price: CHF 63.28**
Price Target: CHF 80.00	**Implied All-in Return (%): 26.9**

Investment summary

Largest Ophthalmology player with broad market leading positions. The company is well diversified, with around 87% of recurring revenues, and is the market leader in Cataracts, Retinal surgery and Contact Lenses, with a growing presence in Glaucoma and dry eye (market c$9bn, +hsd% pa).

Strength in Cataracts and Contacts drives 7% top-line growth to 2027E. We expect Alcon's leading portfolio of intraocular lenses (IOLs), upcoming equipment launches and ability to bundle in the US to enable it to benefit from the ongoing shift towards advanced IOLs globally over the medium term, despite increasing competition in the space, in light of feedback from surgeons at the recent Ophthalmology surgery conference (see note). We also see the company's innovation leadership in Contact Lenses supporting continued share gains in daily and advanced segments over the medium term.

Incremental margin improvement drives 14% EPS CAGR 2026-28E. We forecast c.3ppts of EBIT margin accretion to 2027E, split roughly evenly between gross margin and opex. We expect mix benefits from increasing proportion AT-IOLs, higher consumables sales on an expanded equipment base and growing sales of eye drops to complement efficiencies from ongoing optimisation of the manufacturing network and offset negative mix effects from increasing equipment and daily contact lens sales for c.1.5ppts of GM accretion to 2027E, with the remainder of the accretion driven by productivity gains and operating leverage across SG&A and R&D.

Bullishness leaves us slightly ahead of consensus. Our growth assumptions in Surgical and Contact Lenses reflect our bullish view around the impact of new launches across the portfolios over the medium term. Our expectations around margin expansion lead to our 2026E EPS forecasts 1.5% ahead of consensus.

Valuation

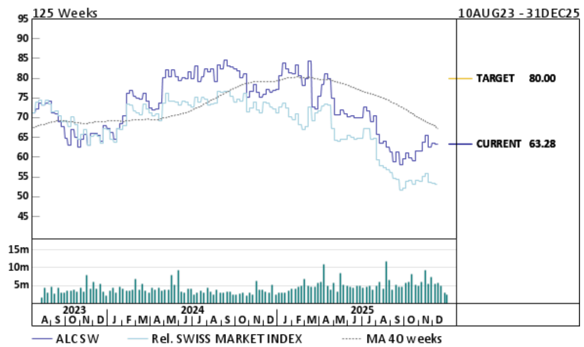
We apply a P/E of 22x to our 2027 forecasts to arrive at our CHF 80/sh PT, rounded down from CHF 85/sh, and this supports our Outperform rating. This multiple is ahead of European MedTech peers (average c.18x, upper-lower quartile 17.2-19.7x) and below Ophthalmology peers (average 23x, upper-lower quartile 22-27.6x), which reflects the company's strong market positioning, share gain momentum and exposure to solid growth markets, while also accounting for the increased uncertainty around near term market volatility and potential M&A dilution. DCF supports our PT – we assume a 7.4% Cost of Equity, 3% terminal growth and 5-year transition period for an implied fair value of CHF 80/sh.

Risks to rating and price target

We see a potential risk to gross margins from the increasing mix of daily contact lenses, but see this risk as largely mitigated by the expansion of the company's highly efficient DSM manufacturing lines.

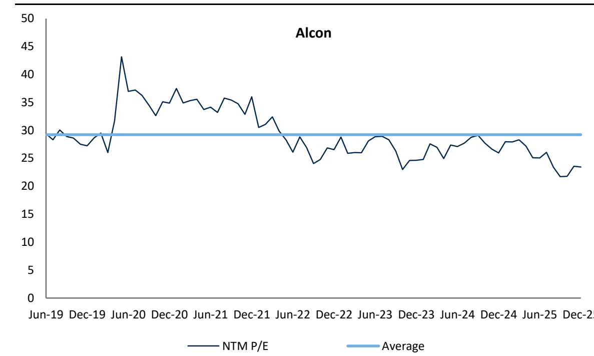
We also see potential risk to growth in cataracts if the shift to advanced technology intraocular lenses slows, as it has done in the past. However, we note that Alcon is well positioned in standard lenses, and would likely not suffer share loses.

Exhibit 5 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 6 - Forward consensus P/E history



Source: Factset

Most recent company note: link

Amazon.com, Inc. (NASDAQ: AMZN)

RBC Capital Markets, LLC
Brad Erickson (Analyst) (971) 842-9607, brad.erickson@rbccm.com

Rating: Outperform	**Closing Price: USD 230.82**
Price Target: USD 300.00	**Implied All-in Return (%): 30.0**

Investment summary

AMZN is one of the internet's largest true alpha dogs, in our view. The company's unmatched scale and advantage in verticalized e-commerce combined with its industry-leading cloud business gives it many shots on goal for future growth opportunities in new verticals. Our channel checks indicate that the burgeoning advertising business in particular has a massive opportunity to drive accretive growth. Regulatory scrutiny is inevitable but carries relatively low risk to long-term equity value, in our view.

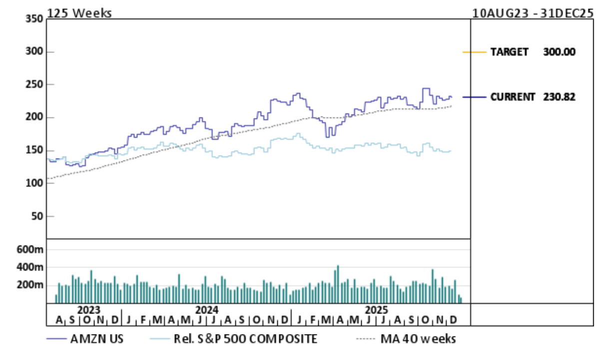
Valuation

The stock trades at a slight discount to the group. Reasons for the discount are valid in some ways given the law of large numbers limiting growth rates and the multiple ascribed to the low-margin 1P retail business. That said, we believe an in-line multiple is fair given the e-commerce moat that AMZN has developed, combined with rising exposure to highly cash-generative segments such as advertising and cloud. Our Outperform rating is supported by our $300 price target, which is based on 15.6x EV/our '26E EBITDA.

Risks to rating and price target

Risks to rating and price target include: (1) challenging integration of ongoing capacity expansion; (2) less sticky or reversionary e-commerce trends post-pandemic; (3) less successful Prime membership adoption in international markets leading to slowing growth and less margin expansion than expected; (4) inability to secure rights to meaningful sports & entertainment content, particularly in Europe; (5) a lack of improvement to the advertising platform's targeting algorithms and conversion leading to slowing growth; (6) intensifying competition in cloud; and (7) global macroeconomic slowdown.

Exhibit 7 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 8 - Forward consensus EV/EBITDA history

Source: Factset

Most recent company note: link

Biogen Inc. (NASDAQ: BIIB)

Rating: Outperform | **Closing Price: USD 175.99**
Price Target: USD 210.00 | **Implied All-in Return (%): 19.3**

RBC Capital Markets, LLC
Brian Abrahams, M.D. (Head of Global Healthcare Research) (212) 858-7066,
brian.abrahams@rbc.com

Investment summary

We believe BIIB shares may be settling closer to a bottom due to a slower than expected Leqembi uptake, limited NT pipeline opportunities and generic entries competing against the company's MS business; we see limited additional downside from here, and given what appears to be poor buy-side sentiment on the name, we believe this creates an attractive entry point for shares. With Leqembi's subcutaneous prospects from 2026, in our view, there seem to be more upside opportunities than downside risks going forward. We see potentially significant upside on success of the Alzheimer's franchise that may capitalize on meaningful physician appetite for the anti-amyloid class, and competitive profiles from I&I programs; we see downside being capped by the potential for additional cost-cutting and strategic BD, and believe revenues from Biogen's core MS franchise and Spinraza will be flat to down over the long term but still meaningful. Overall, though challenges remain, we see a favorable setup at these levels.

Key positives include: (1) potential for significant market opportunity for Leqembi in Alzheimer's; (2) MS franchise should continue to generate meaningful future cash flows; (3) little credit given to pipeline, and management's recent strategic initiatives could be well received; and (4) reasonable long-term cash flows from anti-CD20 royalties and growing biosimilars business.

Potential catalysts include: (1) continued Leqembi and Skyclarys launch trends (2026+); (2) LLY Kisunla pre-symptomatic data (est. Early-'26), (3) subcutaneous Leqembi induction decision; BIIB080 ph.II data (Mid-'26), and (4) Litifilimab ph.III data in SLE ; felzartamab ph.Ib data in LN (2H26).

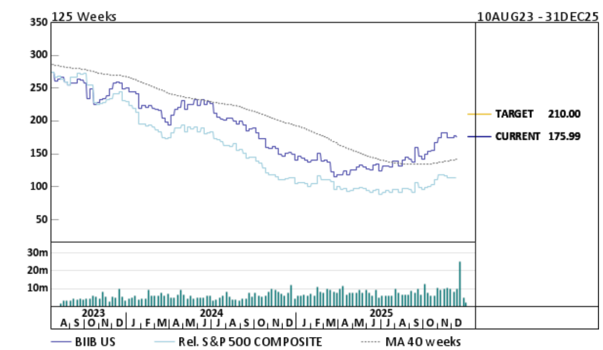
Valuation

Our $210 price target is derived from a DCF, which uses a 9.5% discount rate and a 2.0% terminal growth rate. Our price target supports our Outperform rating.

Risks to rating and price target

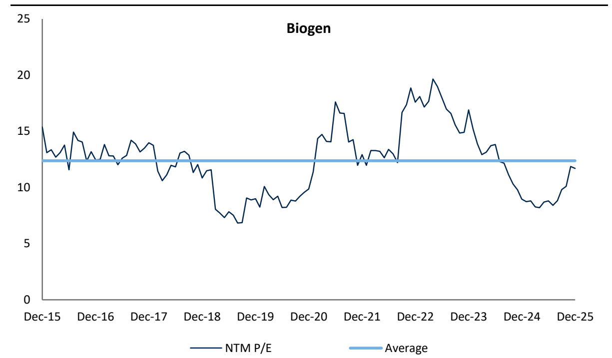
Risks to rating and price target include: (1) competition, generics, and pricing pressure in MS; (2) competition in SMA; and (3) clinical failure or reimbursement limitations on Alzheimer's antibodies.

Exhibit 9 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 10 - Forward consensus P/E history



Source: FactSet

Most recent company note: link

Boston Scientific Corporation (NYSE: BSX)

RBC Capital Markets, LLC
Shagun Singh (Analyst) (646) 618-6886, shagun.singh@rbccm.com

Rating: Outperform	Closing Price: USD 95.35
Price Target: USD 130.00	Implied All-in Return (%): 36.3

Investment summary

BSX is increasing its WAMGR by shifting into faster growing MedTech end-markets. BSX's shift into higher adjacent growth markets via tuck-in M&A is poised to drive its WAMGR from -1% in 2011-12 to above 9% by 2026. BSX's category leadership strategy driven by product innovation and M&A should drive organic revenue growth above its WAMGR, and at the high end of its stated range (2026-28E LRP of +10%).

BSX introduced its LRP capital allocation strategy during its investor day. *First*, BSX noted that high-quality tuck-in M&A remains the No. 1 allocation of capital. BSX noted that deployment is based on strengthening category leadership and its portfolio of novel therapies and technologies. Over the last ten years, BSX has executed +40 deals, and has ~45 active investments in its VC portfolio. *Second*, BSX's goal is to execute share repurchases to offset share dilution. We note that BSX has a healthy balance sheet and investment-grade credit.

Positioned to drive consistent double-digit EPS growth. BSX has a clear pathway to consistent double-digit EPS growth over its LRP period driven by top-tier organic revenue growth (2026-28E LRP of +10%) and strong OM expansion of +150bps over its LRP period.

Farapulse Pulsed Field Ablation (PFA) system launch is ongoing. BSX launched Farapulse in early Q1'24, and the CEO indicated that EP is one of the two strongest markets in MedTech, with EP being the greatest TAM expansion story in the sector.

Key potential catalysts are as follows: (1) FDA approval for Farapulse PFA in Q1'24 (achieved) followed by full market release; (2) launch of AGENT coronary drug-coated balloon in the US (achieved); (3) next-gen Watchman FLX Pro (achieved); and (4) acquisitive on the M&A front given BSX's history of accretive M&A to expand its portfolio offerings.

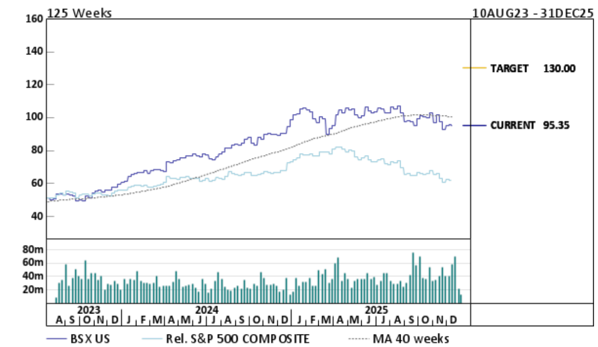
Valuation

Our $130 price target is an equal blend of: (1) DCF yields a value of $161 per share and reflects our forecast through 2034 with a 2.0% terminal value growth rate and a WACC of ~8.6%; (2) EV-to-Sales analysis uses a multiple of ~7.5x on 2027E sales, which yields a value of $120; (3) EV-to-EBITDA analysis uses a ~21.5x multiple on 2027E EBITDA, which yields a value of $118; and (4) P/E analysis uses a ~30.0x multiple on 2027E EPS, above its 10-year historical NTM P/E average multiple of ~24.0x and below its 10-year peak (~37.0x), which yields a value of $120. The return implied by our price target supports an Outperform rating.

Risks to rating and price target

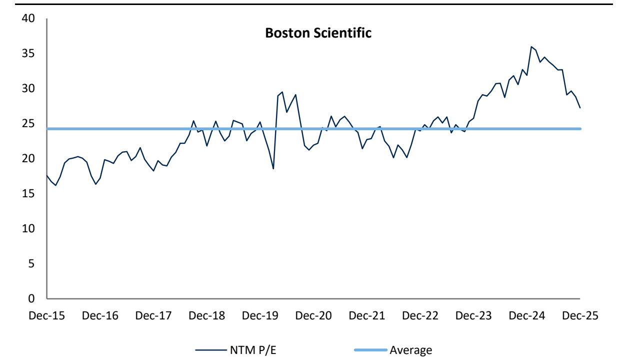
Risks to rating and price target include, but are not limited to: (1) competition that can disrupt and take share; (2) R&D efforts or clinical trials that do not materialize; (3) supply chain or manufacturing disruptions; (4) geopolitical risk; and (5) FX headwinds.

Exhibit 11 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 12 - Forward consensus P/E history



Source: Factset

Most recent company note: [link]

Brookfield Corporation (NYSE: BN; TSX: BN)

RBC Dominion Securities Inc.
Bart Dziarski, CPA, CA, CBV, CFA (Analyst) (416) 842-8611, bart.dziarski@rbccm.com

Rating: Outperform | **Closing Price: USD 45.89**
Price Target: USD 58.00 | **Implied All-in Return (%): 26.9**

Investment summary

Why we rate Brookfield Corporation shares Outperform: We believe Brookfield is a core holding driven by its long-term track record of compounding capital. The company has significant liquidity available to deploy in the current market environment to drive future NAV growth. A controlling position in one of the world's largest, differentiated alternative asset managers drives scale benefit and contributes further to NAV growth. We believe the current valuation provides an attractive entry point into a leading franchise set to benefit from increasing carried interest realizations and its growing Wealth Solutions business.

Key potential catalysts include the following: (1) carried interest realizations against $6B 3-year target; (2) Wealth Solutions inflows against $25B annual target and $350B total asset target in five years; and (3) monetization of Core Plus & Value Add Real Estate assets (formerly Transitional & Development) at or above IFRS fair values – transferring Core Real Estate assets to Brookfield Wealth Solutions and/or selling a portion to 3rd-party investors at or above IFRS fair values.

Valuation

Our 12-month price target is USD $58/share, derived using a NAV-based methodology assuming a 15% discount to NAV.

We use one-year forward estimated valuations for Brookfield's listed affiliates and BAM.

We apply a 30% discount to the IFRS value of the Real Estate business.

We include a DCF-based valuation for Brookfield Wealth Solutions.

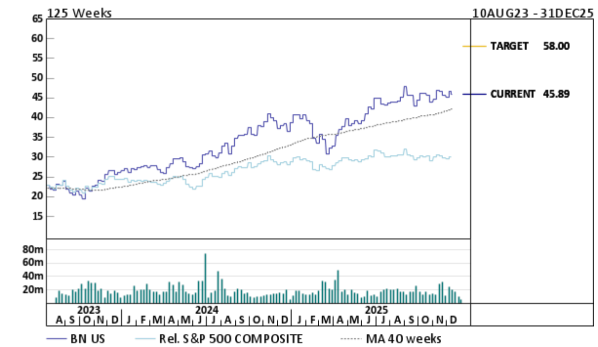
For carried interest, we consider Brookfield's long-term track record and value carry by combining unrealized carry and a multiple of target carry.

Our price target and implied return support our Outperform rating.

Risks to rating and price target

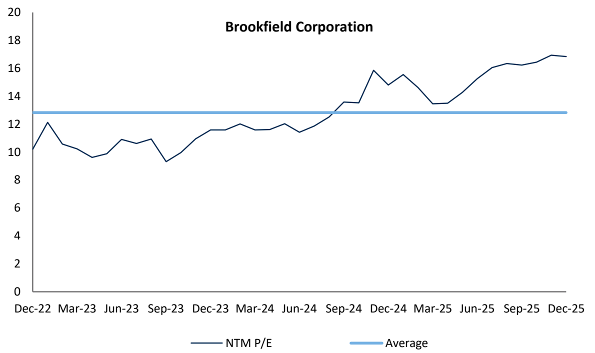
Risks to rating and price target include: (1) a sudden and significant increase in interest rates; (2) sustained capital markets volatility; and (3) real estate, particularly office, values declining precipitously.

Exhibit 13 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 14 - Forward consensus P/E history



Source: FactSet

Most recent company note: link

RBC Capital Markets is a financial adviser to Brookfield Wealth Solutions Ltd, in its recommended cash acquisition of Just Group PLC, announced July 31, 2025.

ConocoPhillips (NYSE: COP)

RBC Capital Markets, LLC
Scott Hanold (Analyst) (512) 708-6354, scott.hanold@rbccm.com

Rating: Outperform	**Closing Price: USD 93.61**
Price Target: USD 118.00	**Implied All-in Return (%): 29.6**

Investment summary

We believe COP shares should outperform large-cap E&P peers. COP has a returns-focused value proposition, a strong balance sheet, and peer-leading distributions. The company appears well positioned to maintain competitive FCF generation through various commodity price cycles. The scaled Permian position enhances the outlook with greater FCF generation, asset diversity, and development flexibility.

Management has one of the clearest and most defined investment propositions. COP was an early leader in committing and demonstrating high returns of capital back to shareholders. COP's priorities are: (1) sustain production and pay its dividend; (2) annual dividend growth; (3) A-rated balance sheet; (4) 30+% CFO total shareholder payout; and (5) disciplined investment for CFO expansion.

A global and diverse asset base across the commodity spectrum mitigates unsystematic risk. This also allows spending flexibility to deliver industry-leading returns through the commodity price and economic cycles.

COP has a low break-even point where it can fund its production maintenance capital and dividends at below $40/bbl (WTI). This is supported by a peer-leading base decline rate that results in a 35% less capital requirement to sustain production than peers.

COP is among the top five largest natural gas marketers in the US. This creates opportunities to enhance transportation and sales mechanisms for margin improvement.

Strong balance sheet. The company's strong balance sheet provides a strategic advantage to increase shareholder value through commodity price cycles.

Valuation

Our $118/share price target is derived from a combination of evaluating forward EBITDA multiples and our Net Asset Value (NAV). Our target reflects: (1) an 8.7x multiple on our 2026 EBITDA estimate, higher relative to peer averages, warranted in our view due to the larger FCF inflection through to 2029E; (2) our price target is inline with our $118/share Net Asset Value (NAV), above the large cap peer average due to peer-leading shareholder return, solid FCF growth rates, a strong balance sheet, and asset diversity; and (3) our NAV is a risked assessment of 3P reserves using the long-term RBC commodity price outlook of $65/bbl (WTI), $70/bbl (Brent), and $3.50/Mcf (HH).

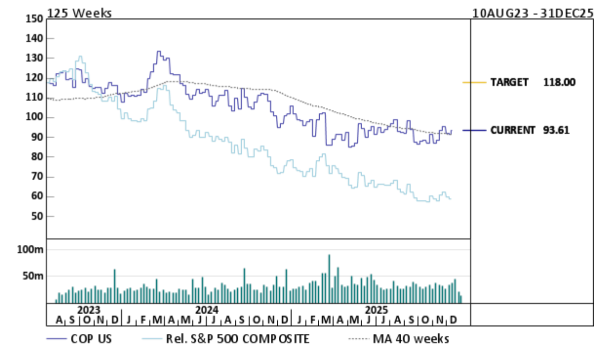
Our price target supports our Outperform rating.

Risks to rating and price target

ConocoPhillips's returns-focused strategy is dependent on strong margins, cost control, and execution. Industry inflation or unforeseen cost overruns could limit the company's ability to deliver significant returns to shareholders and negatively impact the share price.

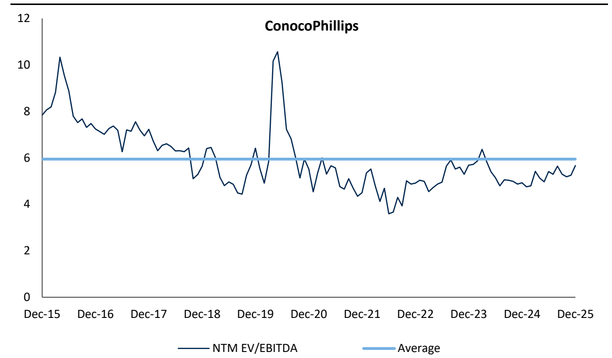
Regulatory changes could adversely impact the company's development opportunities and economics. COP has federal acreage on certain core assets in both the Permian Basin and Alaska that could be impacted by regulatory changes.

Exhibit 15 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 16 - Forward consensus EV/EBITDA history



Source: FactSet

Most recent company note: link

Constellation Software Inc. (TSX: CSU)

RBC Dominion Securities Inc.
Paul Treiber, CFA (Analyst) (416) 842-7811, paul.treiber@rbccm.com

Rating: Outperform	Closing Price: CAD 3,310.00
Price Target: CAD 5,600.00	Implied All-in Return (%): 69.4

Investment summary

We believe that Constellation Software is likely to generate one of the highest returns for shareholders over the long term in our coverage universe. Our Outperform thesis reflects: (1) Constellation's ability to rapidly compound capital through acquisitions; (2) solid underlying fundamentals as a result of an attractive market structure and ROIC-based performance incentives; and (3) Constellation's valuation is attractive relative to growth potential.

Constellation's ability to rapidly compound capital through acquisitions. Our positive outlook reflects the continued compounding of Constellation's capital deployed at high hurdle rates, along with the scalable nature of Constellation's decentralized business model. The acquisition targets in Constellation's database continue to grow (now estimated at 60k, up from 1.2k in 2006). The 60k acquisition targets imply a large $300B+ addressable market. We forecast Constellation to deploy a $2.25B capital on acquisitions in FY27e, up from $1.6B in FY24.

Solid underlying fundamentals. Constellation focuses on mission-critical vertical market software (VMS), which offers an attractive market structure. As a result, Constellation benefits from stable organic growth, high margins, and solid FCF conversion. Moreover, the company's ROIC-performance incentives ensure that managers improve performance over time. As a result, Constellation has experienced 490 bps of margin expansion over the last 10 years. Our outlook calls for adj. EBITDA margins to expand from 26.7% in FY24 to 28.4% in FY27e.

Constellation's valuation is attractive relative to growth potential. Constellation is trading at the low-end of its 5-year range. We see Constellation's valuation as compelling, compared to our forecast for 18% adj. EBITDA CAGR and 17% FCF/share CAGR over the next 3 years.

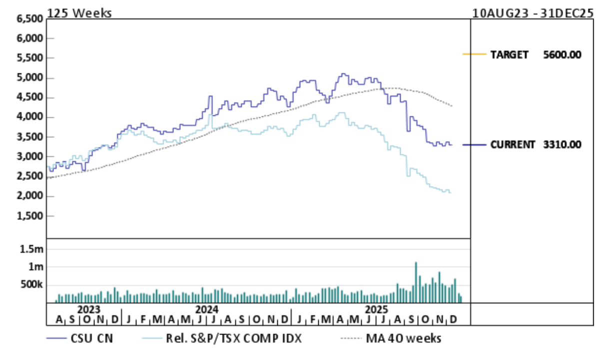
Valuation

Our C$5,600 price target is based on 22x CY27e EV/EBITDA, justified above Canadian software consolidator peers in our view, given Constellation's faster ability to compound capital in the long term. Constellation has converted 82% of adj. EBITDA into FCF over the last five years. Our price target supports an Outperform rating.

Risks to rating and price target

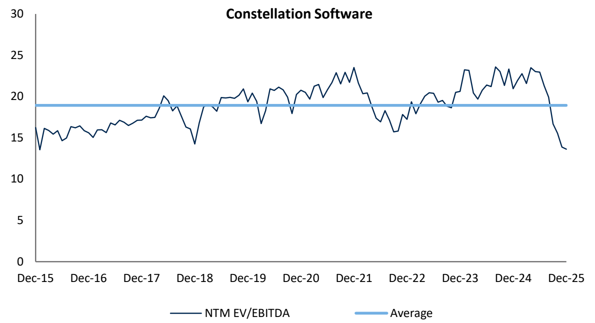
Risks to rating and price target include: (1) inability to find attractive acquisition candidates at high rates; (2) unforeseen challenges managing large acquisitions; (3) unexpected organic growth headwinds; (4) loss of key employees; and (5) a decline in tech market valuations.

Exhibit 17 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 18 - Forward consensus EV/EBITDA history



Source: FactSet

Most recent company note: link

DuPont de Nemours, Inc. (NYSE: DD)

RBC Capital Markets, LLC
Arun Viswanathan, CFA (Analyst) (212) 301-1611, arun.viswanathan@rbccm.com

Rating: Outperform | **Closing Price: USD 40.20**

Price Target: USD 48.00 | **Implied All-in Return (%): 21.4**

Investment summary

Multiple expansion opportunity as a multi-industrial company. DD is currently going through another portfolio transformation, and we believe DuPont's valuation multiples could increase 2–3x should it successfully market itself as a multi-industrial company, and it is currently in the process of reclassifying its GICS sector. DuPont notes that when comparing against other multi-industrial companies (MMM, HON, and ITW), DuPont provides similar-in-class benchmarks.

Optionality for shareholder returns. Given proceeds from the electronics spin and aramids sale, we believe DD has some of the best optionality for capital deployment in the space. DD has noted that it plans to pay down debt with some of the proceeds, but we think it is likely to also pursue share buybacks or accretive M&A.

Limited China tariff exposure. DD management has noted exposure to tariff impacts in ~2017-18 were ~$60M to revenues, and the company has since diversified supply/procurement, and it should not see as much impact in 2025-26. Per DD, ~$50M of COGS is tied to product imported from China ($75M from Canada/Mexico), and its China/Hong Kong revenue exposure is ~19%. Additionally, the recent China Tyvek probe represents only ~0.7% of sales.

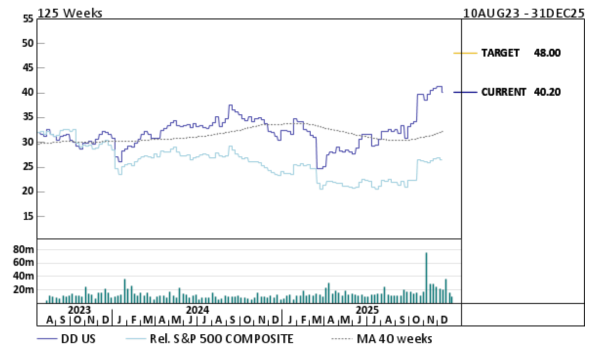
Valuation

We value DD on a forward EV/EBITDA basis using 2026E. We apply a 13x multiple to our 2026E EBITDA of $1.71B to arrive at a price target of $48/share. Given the portfolio transformations and buybacks, somewhat offset by lower market multiples we believe DD should start trending toward the upper middle of its historical 9–16x multiple range. Our price target supports our Outperform rating.

Risks to rating and price target

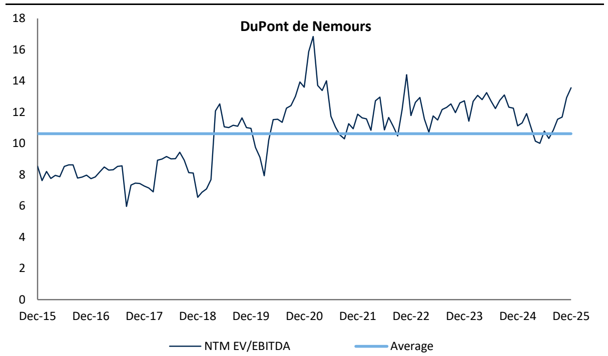
Risks to rating and price target include: (1) slower-than-expected cycle recovery in China and North America; (2) synergy/integration challenges; (3) further delays or failure to optimize spin strategy; (4) continued weakness in electronics/construction markets; and (5) delays in the spin of its electronics businesses.

Exhibit 19 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 20 - Forward consensus EV/EBITDA history



Source: FactSet

Most recent company note: link

Engie (NXT PA: ENGI)

RBC Europe Limited
Joseph Pepper (Analyst) +44 20 4557 7410, joseph.pepper@rbccm.com

Rating: Outperform | **Closing Price: EUR 22.41**
Price Target: EUR 25.00 | **Implied All-in Return (%): 17.7**

Investment summary

ENGIE is one the largest integrated European utilities, headquartered in France, with divisions focused on renewables, gas generation, networks and supply & trading. With long-term balance sheet risks from nuclear waste provisions now settled, we think improved capital allocation discipline under new management can deliver outperformance through its market-leading battery storage exposure and growth opportunity in the US market.

Valuation

Our €25 price target is based on a sum-of-the-parts approach that values ENGIE's divisions using either a DCF methodology, or for its French gas networks, a 1.1x multiple to RAB. We use a group WACC of ~6.5%. Investments in associates and JVs, loans to associates and JVs, and other financial assets are valued at estimated book value, as are liabilities. We cross-reference our valuation approach to DDM, historical multiple range and DCF valuation which supports our price target and Outperform rating.

Risks to rating and price target

French politics: We think that ENGIE is relatively well insulated against French politics, given the contracted nature of revenue and high level of geographic diversification (France is ~36% of FY24 EBIT). However, the underperformance of French equities ytd and widening of French-German bond spread implies the country risk premium is expanding, potentially weighing on shares in the near-term.

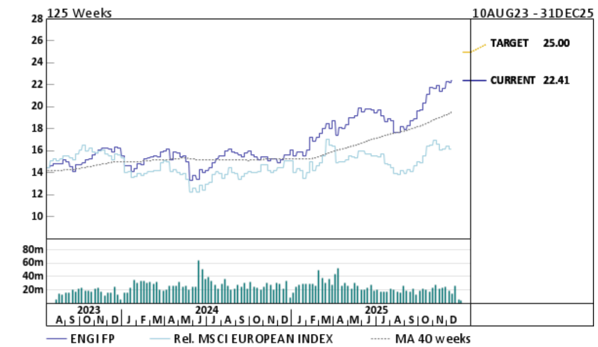
Pipeline execution: ENGIE may not be able to execute on its €21-24bn growth capex plan through 2027, either due to a lack of accretive opportunities, or poor execution, which would negatively impact earnings growth.

Cost efficiencies: ENGIE is targeting €1-1.3bn in incremental annual cost savings by 2027. Any underperformance would be a headwind to earnings growth.

Government intervention: Government risk primarily relates to Belgium nuclear assets, French regulator (CRE) as well as the Trump government.

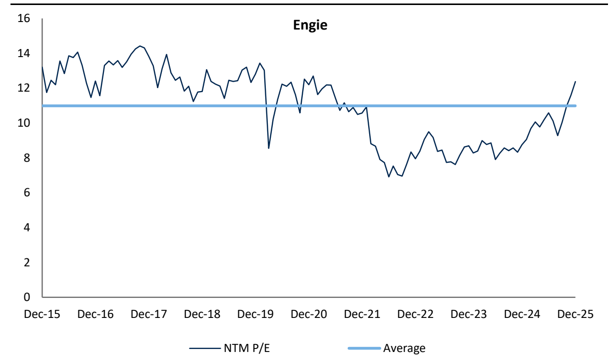
Lower power prices: While ENGIE is reducing its merchant absolute power price exposure (~5% of EBIT by 2027), a lower power price outlook would impact earnings and reduce pricing at which ENGIE can recontract its assets.

Exhibit 21 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 22 - Forward consensus P/E history



Source: Factset

Most recent company note: link

International Paper Company (NYSE: IP)

RBC Dominion Securities Inc.
Matthew McKellar, CFA (Analyst) (403) 476-9042, matthew.mckellar@rbccm.com

Rating: Outperform | **Closing Price: USD 39.39**
Price Target: USD 55.00 | **Implied All-in Return (%): 44.3**

Investment summary

We rate International Paper shares Outperform.

We view International Paper as a long-term holding given its leading positions in increasingly consolidated industries. We also like the company's more focused capital allocation strategy across cost-reduction initiatives, reliability initiatives, and high-return capital projects that can better position the company with time.

Transformation plan drives incremental upside. IP has evolved from an integrated forest products company into a focused international packaging company with the sale of its Global Cellulose Fibers business. We see opportunities for it to accelerate profitable growth and lower its cost structure through lean effectiveness, process optimization, and strategy acceleration.

Manufacturing improvement moves IP's assets down the cost curve. International Paper has repositioned its asset base on the lower end of industry cost curves. Disciplined capital spending, targeted at fewer, larger, low-cost mills, should increase free cash flow with time.

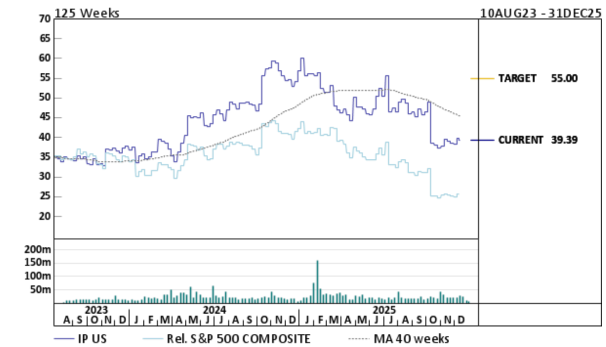
Valuation

Our $55 price target is based on a blended ~7.75x multiple on our trend EBITDA estimate of $5,000MM (85%) and our 2026E EBITDA of $3,722MM (15%). We believe IP should trade near the top of the typical range (6.0–8.0x) for large US paper & forest product companies given the company's renewed focus on commercial strategy, improving containerboard fundamentals, and longer-term upside potential through the acquisition of DS Smith. Our price target supports our Outperform rating.

Risks to rating and price target

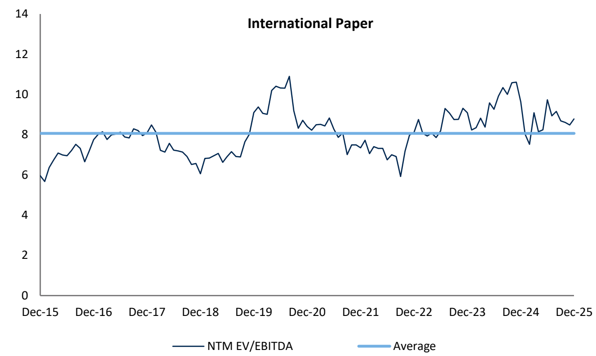
Risks to rating and price target include: (1) weaker economic conditions could have a negative impact on demand for International Paper's products; (2) economic cyclicality, changes in consumer preferences, or imbalances in supply and demand could negatively affect realized pricing; and (3) incremental industry capacity additions beyond our expectations in containerboard could result in pricing pressure or a need to manage existing capacity in the industry.

Exhibit 23 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 24 - Forward consensus EV/EBITDA history



Source: Factset

Most recent company note: link

Loblaw Companies Limited (TSX: L)

RBC Dominion Securities Inc.
Irene Nattel (Analyst) (514) 878-7262, irene.nattel@rbccm.com

Rating: Outperform	Closing Price: CAD 62.05
Price Target: CAD 68.00	Implied All-in Return (%): 10.5

Investment summary

Well-positioned for the current environment. Loblaw is exceptionally well-positioned for the current macro backdrop with sector-leading exposure to the discount channel (60% of revenues) and value-oriented private-label penetration (35%) and leading loyalty program (18 MM active members). Focus on surfacing operating leverage and the relative advantage of the L+SC size, focus, and profitability should drive mid-SD EBITDA growth, augmented by consistent share buyback to deliver 8-10% EPS CAGR. With incremental macro headwinds and probable downside to employment levels and GDP, grocer tonnage is likely to remain higher than pre-COVID.

Consistent return of capital to shareholders: Consistent NCIB execution since 2016, with share count at Y/E 2024 25% below 2015. Our model assumes consistent annual share count reduction of ~2.5% over our forecast horizon.

Shifting dynamics and foundational investments put Loblaw in pole position looking ahead to 2027 and beyond. While food e-commerce appears to have plateaued post-pandemic, Loblaw's proactive investment in innovation capital was, and remains, of paramount importance to retaining its leadership position. Online penetration that peaked at high-SD during the pandemic and has settled in mid-SD should continue to improve over the medium term as Loblaw continues proactive work on digitization of health care. As the company pulls away from the competitive set in terms of offering and how it goes to market, investors should increasingly differentiate between Loblaw and the rest of the field.

Proprietary survey supports re-rating argument. We have long argued that Loblaw's relative earnings, returns, and FCF conversion justify a narrowing of the valuation gap to peers. Findings and insights from RBC Imagine™: Reimagining the weekly shop highlight Loblaw's critical points of differentiation, bolstering our argument that the current trading multiple fails to properly capture Loblaw's competitive positioning and structural advantages/capabilities. Findings underscore Loblaw's leadership on key influencers of consumer behaviour, notably loyalty programs and digital relationships. With seamless crossover across channels and banners, PC Optimum has emerged as the top consumer choice regardless of geography and demographics.

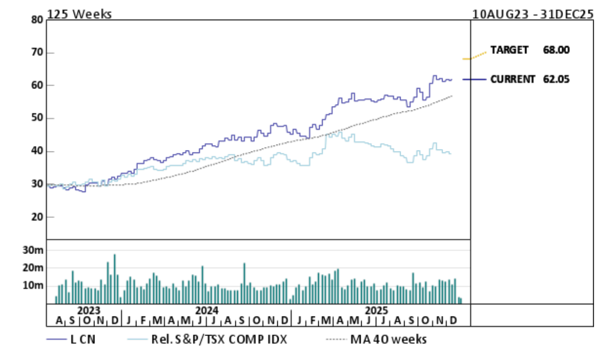
Valuation

Our $68 price target is based on a blended valuation methodology whereby we apply 12x EBITDA and 24.5x EPS multiples to Q2/F27 estimates. Our EV/EBITDA multiple is in line with the target valuation we assign to Metro (TSX: MRU), slightly above the average long-term multiple for the consumer sector in Canada, reflecting the company's defensive attributes, but a discount to the growth-oriented names in the space (i.e., DOL), consistent with Loblaw's current earnings growth outlook. Our price target supports our Outperform rating.

Risks to rating and price target

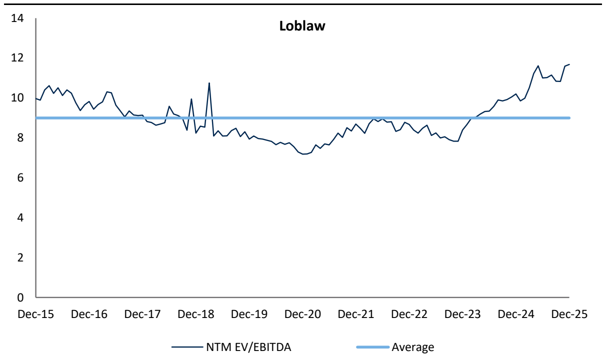
The ability to offset key input and opex increases, notably labour, and impact of healthcare reform could have a negative impact on earnings growth and share price going forward. Senior leadership changes in 2024 could result in shift in investor perception and impact valuation positively or negatively.

Exhibit 25 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 26 - Forward consensus EV/EBITDA history



Source: Factset

Most recent company note: link

L'Oreal (NXT PA: OR)

RBC Europe Limited
Wassachon (Fon) Udomsilpa (Analyst) +44 0 20 7029 0783, fon.udomsilpa@rbccm.com

Rating: Outperform	**Closing Price: EUR 366.60**
Price Target: EUR 410.00	**Implied All-in Return (%): 13.8**

Investment summary

Our work on hair and skin care markets reinforces our positive view on the beauty category. The sector is well-positioned amidst structural demographic shift, with key players in the markets proactively innovating to support category growth. It is also a hiding place from risks of lower product consumption by Gen Z over the long-term – very real concerns in tobacco and beverages.

We have long admired L'Oréal's ability to identify categories/markets with attractive growth potential and rapidly commit resources to stimulate and capture those opportunities. Additionally, its broad product coverage, marketing firepower and impending ramp-up in innovation/product launches position the company well to strengthen its market leadership further.

It is clear that L'Oréal is not immune to a challenging macro backdrop and its recent performance came in below expectations. However, we see this as temporary and the pace of growth recovery could surprise on the upside. Lowered expectations and de-rating over the last year suggest risk is to the upside.

L'Oréal trades at its 5-year trough valuation on P/E, which we view as attractive, considering its long-term growth trajectory.

We have an Outperform rating for L'Oréal.

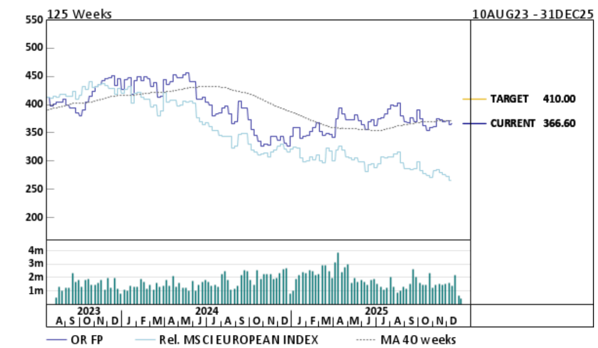
Valuation

We believe that consumer staples stocks lend themselves to a DCF valuation methodology owing to the relative strength and predictability of their cash flow together with – in some instances – a significant mismatch between capital expenditure and depreciation charged through the profit and loss account meaning that P&L-based valuation metrics (PE ratio and EV/EBITDA ratio) can be misleading. We use a derivative of a traditional DCF calculation called adjusted present value (APV) whereby the business's operating cash flows are discounted at its cost of equity (7% for L'Oréal) and tax shield at the cost of debt (3%). Assuming a terminal growth rate of 2.5% after 2040, we derive a fair value for L'Oréal of €386 per share. Discounting the APV forward by a year at the cost of equity and deducting our forecast dividend payment, we obtain a 12-month price target of €410. Our price target supports our Outperform rating.

Risks to rating and price target

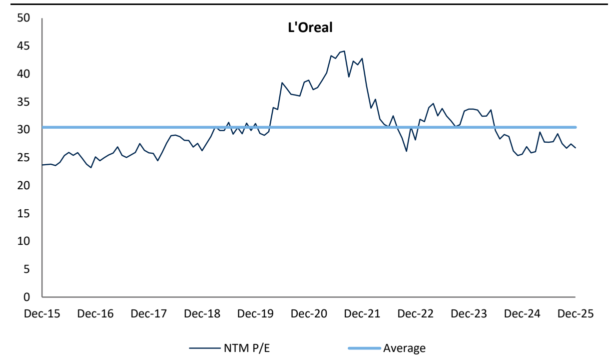
Risks to rating and price target include: (1) a further deterioration in consumer confidence in its key markets (particularly China) would be negative for sales and margins; (2) more intensified price competition could negatively affect top-line performance, particularly for the Consumer Product division – new and effective innovation from competitors would lead to a further slow down in Dermatological Beauty; (3) worse-than-expected performance of the recent major acquisition, Aesop, would be negative for the shares; (4) unsuccessful innovation could affect L'Oréal's market positioning and ability to gain market share; and (5) lower consumption of beauty products on the back of a higher adoption of injectables would be headwinds for the beauty sector.

Exhibit 27 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 28 - Forward consensus P/E history



Source: Factset

Most recent company note: link

Microsoft Corporation (NASDAQ: MSFT)

RBC Capital Markets, LLC
Rishi Jaluria (Analyst) (415) 633-8798, rishi.jaluria@rbccm.com

Rating: Outperform | **Closing Price: USD 483.62**
Price Target: USD 640.00 | **Implied All-in Return (%): 32.9**

Investment summary

We like shares of Microsoft for four primary reasons:

Market Leader in Several Important Software Categories. Microsoft is a top vendor across numerous enterprise software markets, including public cloud (Azure), collab (Teams/Office), developer tools (GitHub/Visual Studio), security (Azure AD, Defender), and hyperautomation (Power Platform). In addition, Microsoft holds a top spot in other technology vectors, like video games (Xbox), social networking (LinkedIn), and AR (HoloLens).

Durable Double-digit Growth at Scale. From FY18-FY21, Microsoft sustained a 15% CAGR, adding ~$60B of revenue to $168B total. Even more impressive, most of this came organically with $23B from Azure, $12B from Office, and $5B from Gaming (LinkedIn added $5B). In our base case, we expect Microsoft to maintain a low-teens CAGR from FY22-FY27.

Several Market Expansion Opportunities. We see several large expansion opportunities, underpinning our view that Microsoft can sustain DD growth. Microsoft has historically successfully entered new markets, e.g., hyperautomation, security, and collaboration. We believe the large Office install base, Azure's platform/capabilities, and effective bundling are the enablers. We look to customer experience/engagement as an area to watch given recent investments.

Still Room for Margin Expansion. Microsoft has dispelled the bear thesis that cloud mix-shift would pressure margins. We see gross margins pushing higher, though at a more measured rate. In addition, we expect the company to keep balancing efficiency gains against investments in future growth, ultimately leading to modest operating margin expansion.

Valuation

We calculate our base-case price target of $640 by applying a ~37x multiple to our CY26 EPS estimate. Our target multiple is slightly above the Mega Cap peer group, warranted in our view by the company's leadership position in key software categories, durable double-digit growth at scale, and room for margin expansion, albeit some hardware/on-premises mix. Our price target supports our Outperform rating.

Risks to rating and price target

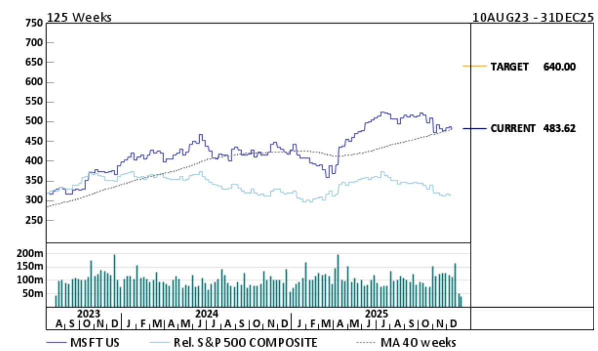
Azure growth could slow: While we maintain the view that public cloud remains early days, a material slowdown in Azure growth could impact the stock and future growth.

Competitive backdrop remains intense: If Microsoft is unable to maintain its leadership across several sub-categories of software and/or continue entering new markets, this could limit its ability to sustain DD growth.

Uneven consumer strategy: While positioning has improved in certain consumer markets (namely gaming), execution has been uneven historically (unable to establish a presence in smartphone and living room ecosystems) which could serve as a competitive risk.

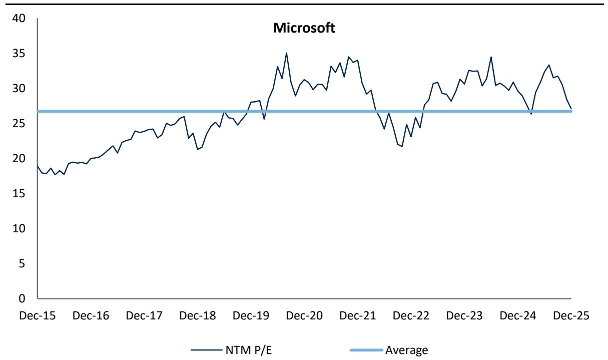
Transformational acquisition: A significant acquisition that depletes the company's net cash position and adds operational pressures on the business could be a risk.

Exhibit 29 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 30 - Forward consensus P/E history



Source: FactSet

Most recent company note: link

Moody's Corporation (NYSE: MCO)

RBC Capital Markets, LLC
Ashish Sabadra (Analyst) (415) 633-8659, ashish.sabadra@rbccm.com

Rating: Outperform	**Closing Price: USD 510.85**
Price Target: USD 610.00	**Implied All-in Return (%): 19.9**

Investment summary

Moody's Analytics should sustain low-double-digit revenue growth driven by the focus on integrated risk assessment. Secular trends for credit issuance and pricing increases bode well for a high-single-digit revenue CAGR for the MIS business over the medium term following near-term issuance headwinds. In addition, share repurchases should help deliver upside to the long-term guidance of low-double-digit earnings growth.

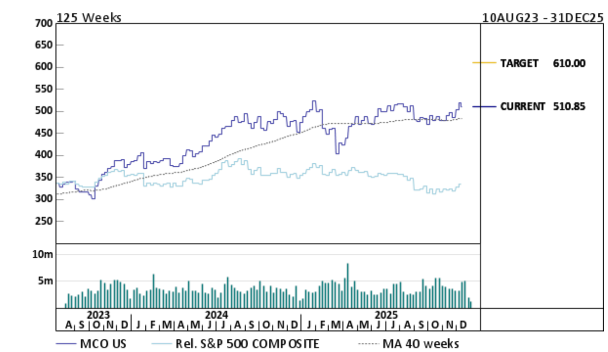
Valuation

Our price target of $610, which supports our Outperform rating, is based on a ~31x FY27E P/E, which is at the high end of MCO's 5-year NTM PE range given growth in issuance and MA revenue/ARR growth acceleration in FY26E, and the margin expansion we expect in the medium-to-long term.

Risks to rating and price target

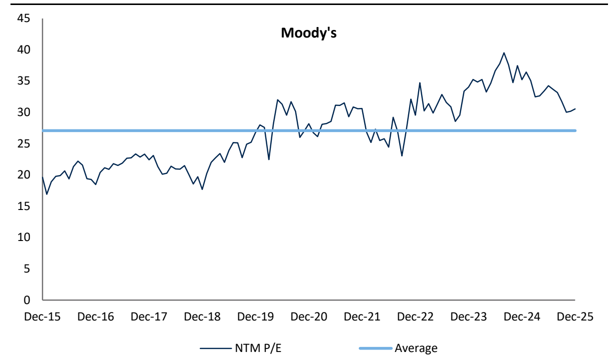
Risks to rating and price target include: (1) significant decline in credit issuance; (2) increased competition for private company data; (3) slowdown in demand for KYC offerings; (4) challenges in integrating acquisitions; and (5) slowdown in demand for Enterprise Risk Services (ERS) software.

Exhibit 31 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 32 - Forward consensus P/E history



Source: FactSet

Most recent company note: [link]

Palo Alto Networks, Inc. (NYSE: PANW)

RBC Capital Markets, LLC
Matthew Hedberg (Head of Global TIMT Research) (612) 313-1293,
matthew.hedberg@rbccm.com

Rating: Outperform	**Closing Price: USD 184.20**
Price Target: USD 250.00	**Implied All-in Return (%): 35.7**

Investment summary

Palo Alto Networks is a provider of next-generation network and endpoint security. The company should be able to grow into a growing network and endpoint security market by expanding within its customer base while increasing its reach to new customers through a larger portfolio, geographical expansion, and share shift. We view Palo Alto as well positioned to benefit from an increasingly complex security and threat landscape and as an industry leader in security.

Growth drivers include: (1) above-market growth opportunity by taking share from legacy security vendors, which could be aided by platformization deals; (2) land, expand, and retain strategy for maximizing value from existing install base; (3) potential market gains from a disruptive subscription business; (4) international growth opportunities; (5) opportunity for margin expansion through economies of scale; and (6) benefits from the increased focus on data security due to ongoing breaches and increased regulation.

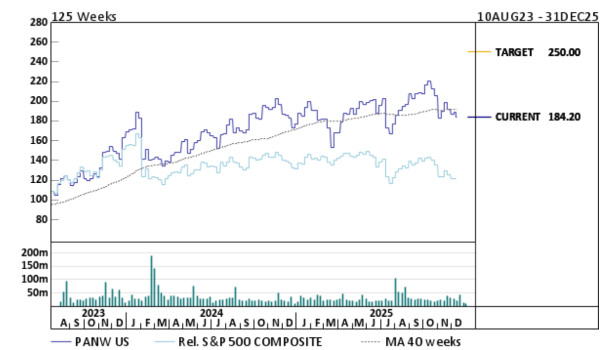
Valuation

Our $250 price target assumes that shares trade at an EV/FCF multiple of 41.5x our CY/26 estimate, a slight premium to LC peers. Our price target and multiple reflect our confidence in the momentum of next-gen billings and durability of network security given improved consistency as well as new visibility provided for the strategic outlook. The implied return to our price target supports our Outperform rating.

Risks to rating and price target

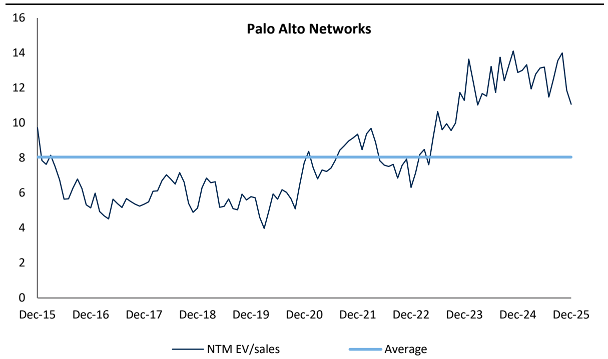
Risks to rating and price target include: (1) improvements around the product line and impact from sales incentives to drive product growth are taking longer than expected; (2) the macro environment remains uncertain; although the security market remains robust, a slowdown in global activity could hinder results; (3) dependency on channel partners is significant and concentrated among several large global distributors; (4) Palo Alto could face increased competition as it continues to take share either from legacy providers or new entrants to the security market; and (5) the company could encounter operational difficulties as it attempts to continue to rapidly increase in scale.

Exhibit 33 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 34 - Forward consensus EV/sales history



Source: Factset

Most recent company note: [link]()

RB Global Inc. (NYSE: RBA; TSX: RBA)

RBC Dominion Securities Inc.
Sabahat Khan (Analyst) (416) 842-7880, sabahat.khan@rbccm.com

Rating: Outperform | **Closing Price: USD 102.87**
Price Target: USD 133.00 | **Implied All-in Return (%): 30.4**

Investment summary

Entering a "counter-cyclical" period that should be beneficial to Ritchie Bros.' legacy business – Ritchie Bros. (excl. IAA) generates ~75–80% of its GTV from the Construction and Transportation end-markets. The combination of easing supply chain constraints and the uncertain backdrop could provide a favorable setup for Ritchie Bros.' legacy auction business. Amidst this backdrop, we would expect the supply of used equipment to increase, which we believe would more than offset any potential weakness in the pricing of used equipment (as Ritchie Bros. can sell more services on greater equipment volume transacting through its channels).

IAA presents a meaningful multi-year opportunity – We believe this is an attractive deal/acquisition for Ritchie Bros. and we think the company will be successful in realizing the stated cost synergies of $100–120MM (actioned run-rate synergy target already achieved ahead of schedule). As for revenue synergies ($350–900MM of EBITDA contribution), these are the proverbial cherry on top if even partially realized (we see the biggest potential for growing IAA's domestic sales and Ritchie Bros.' GTV).

Positioned for growth across multiple channels – Over the last decade, Ritchie Bros. has undertaken a strategic shift toward becoming a multi-channel, full-service marketplace for customers looking to buy, sell, and manage their used equipment (as compared to its historical positioning as purely an auctioneer). To support this evolution, the company has leveraged investments in its technology platforms and undertaken a number of tuck-in acquisitions. Further, the evolution of the legacy business combined with the opportunity ahead for IAA provides a favorable setup for investors over the medium-to-long term, in our view.

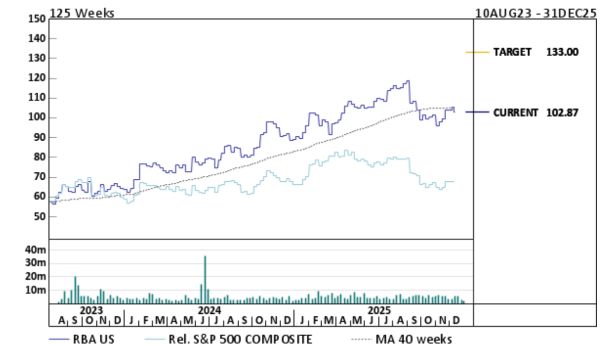
Valuation

Our $133 price target is based on ~30x our 2026 Adjusted EPS forecast of $4.42. We value RB Global at a premium to Auctioneers/Online marketplaces peers based on the current operating backdrop, RB Global's organic growth outlook, its FCF profile, and the contribution/synergies we expect from the company's acquisition of IAA. Our price target supports our Outperform rating.

Risks to rating and price target

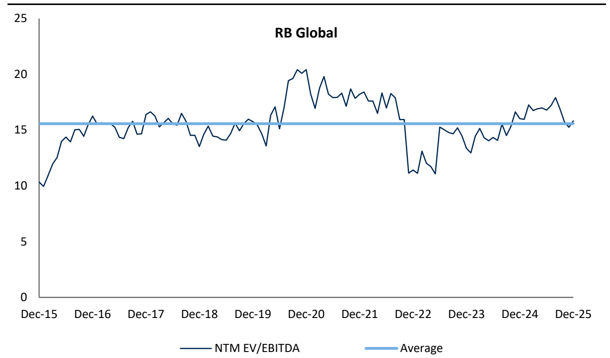
Risks to rating and price target include: (1) integration risks associated with the IAA acquisition; (2) equipment supply constraints impacting the industry for longer than anticipated; (3) risks associated with guarantee/ inventory contracts; and (4) foreign exchange risk.

Exhibit 35 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 36 - Forward consensus EV/EBITDA history



Source: FactSet

Most recent company note: link

Royal Gold, Inc. (NASDAQ: RGLD)

RBC Dominion Securities Inc.
Josh Wolfson (Head of Global Metals & Mining Research) (416) 842-9893,
josh.wolfson@rbccm.com

Rating: Outperform | **Closing Price: USD 222.29**
Price Target: USD 260.00 | **Implied All-in Return (%): 17.8**

Investment summary

Royal Gold is a senior royalty & streaming company with a diversified portfolio of 178 properties, including 37 producing and 22 development-stage precious and base metals assets, and royalties on approximately 119 early-stage exploration/evaluation stage properties. 2025 attributable GEO production guidance is 259-288kGEO (RBC 1Q25 pricing).

Following key underlying asset updates provided by RGLD's stream and royalty operators, we forecast RGLD to be capable of generating incremental growth in the short term and stable production until 2028+.

RGLD maintains no material capital commitments, and in our view the company is well positioned to generate significant net FCF, enabling it to pursue potential asset acquisitions and pay an increasing dividend.

Upcoming potential catalysts and milestones include: (1) PV/Newmont plant ramp-up to steady state (2025-26); (2) Khoemacau/MMG expansion construction commencement (2026) and initial production upside (2028); (3) Andacollo/Teck production upside from water availability and higher grade (2025); (4) Cote Gold/IAMGOLD production ramp up (2025); (5) Great Bear construction (2025-2028), and potential production (2029); (6) Red Chris/Newmont FS for block cave mining (2025+), resource update including East Ridge (2025+); (7) Robertson/Barrick first production (2027); (8) Bellevue/Bellevue expansion to 250koz/a (2028); (9) KOTH / Vault Minerals commissioning of the expanded processing facility (2Q26); and (10) Voisey's Bay / Vale ramp-up of the VBME (2H26).

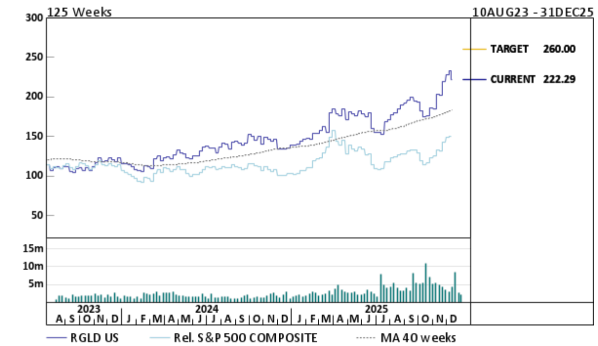
Valuation

Our RGLD price target of US$260.00 is based on 1.6x our NAV5% at a long-term gold price of US$3,000/oz and 19x our 2025–27 SFCF estimate, which would be equivalent to 18x EBITDA. These multiples are modestly below the average for the large cap royalty & streaming group, supported by the company's current favourable cash flow and financial positioning, but offset by higher long-term production risks relative to peers. Our Outperform rating is supported by RGLD's implied return to our price target relative to its peers, while accounting for its company-specific risks.

Risks to rating and price target

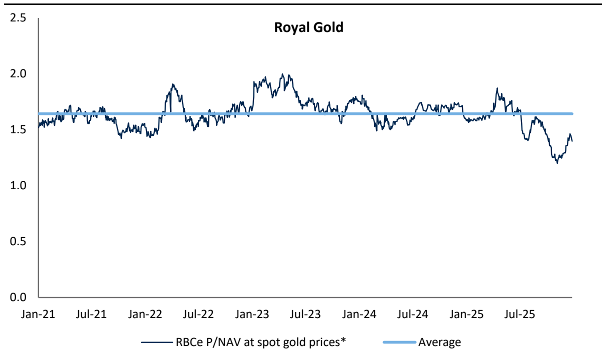
In addition to general operating/technical, financing, and commodity (gold, silver, copper) risks, we highlight: (1) achievement of ramp-up and production targets at Mount Milligan/Centerra, in particular throughput and recoveries; (2) US tax changes, in particular for offshore businesses; (3) high asset concentration risk with Mount Milligan/Centerra; (4) achievement of development, ramp-up, and production targets at Khoemacau; (5) permitting of tailings facility and the successful ramp-up of Pueblo Viejo/Barrick; and (6) reinvestment risk as portfolio includes maturing assets.

Exhibit 37 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 38 - RBCe P/NAV



* Generally discounted at 5%; higher risk, earlier stage, or non-precious metals assets are discounted at a higher rate.
Source: Factset

Most recent company note: link

Safran (NXT PA: SAF)

RBC Capital Markets, LLC
Ken Herbert (Analyst) (415) 633-8583, ken.herbert@rbccm.com

Rating: Outperform | **Closing Price: EUR 297.40**
Price Target: EUR 340.00 | **Implied All-in Return (%): 15.1**

Investment summary

We rate Safran (SAF-FR) Outperform with a €340 price target. We view Safran as a high-quality aerospace and defense supplier, with strong exposure in the narrowbody engine market. Investors are primarily focused on the Aerospace Propulsion segment, particularly with the CFM56 program, the primary profit driver for the segment, and execution on the LEAP, the next-generation narrowbody engine program.

We believe key positive catalysts for SAF-FR will come from continued strength in the commercial aftermarket, execution on LEAP, potential upside to the 2028 targets provided at its 2024 CMD, and capital allocation optionality. We believe the valuation disconnect with US peers provides upside potential.

Valuation

Our €340 price target is based on applying a 28.5x multiple to our 2027 FCF/share estimate of ~€11.95. We believe a multiple at the high end of historical ranges is appropriate considering the outlook for margin upside, catalysts associated with capital allocation, the company's low leverage, and strong market fundamentals. The implied return to our price target supports our Outperform rating.

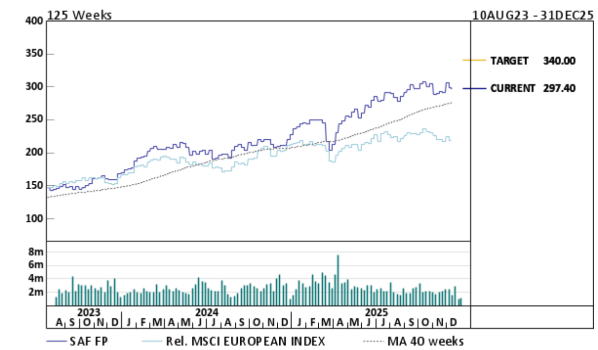
Risks to rating and price target

The primary risks to our rating and price target are focused on the company's civil aerospace business. Specifically, we highlight risks associated with passenger and cargo travel levels, airline maintenance spending schedules and MRO capacity and lead times, as well as work scopes and the availability of spare parts and material lead times. The company also faces risk from the pace of new aircraft deliveries and aircraft interior modification and retrofit spending.

We also highlight the engine supply chain's ability to support expected LEAP engine production increases, as well as the overall health of the aerospace supply chain and risks associated with sanctions and trade policies, capital spending by suppliers, and necessary investments in people and working capital.

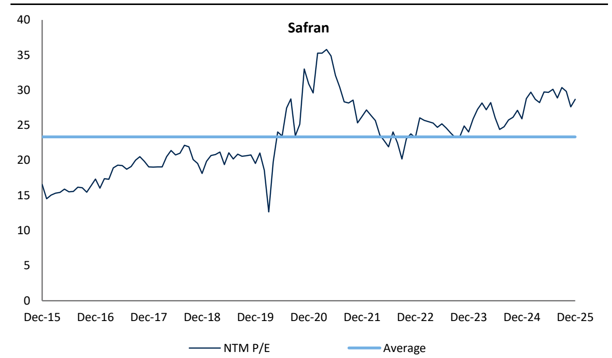
The company also faces risks from: exchange rates and currency hedging strategies, as well as airlines' and lessors' access to capital to support aircraft purchases and investments; global defense spending, technology advancements in propulsion and other areas, and timing of defense contracts and investments; and global geopolitical risks.

Exhibit 39 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 40 - Forward consensus P/E history



Source: FactSet

Most recent company note: link

Schneider Electric (NXT PA: SU)

RBC Europe Limited
Mark Fielding (Analyst) +44 20 7002 2128, mark.fielding@rbccm.com

Rating: Outperform	**Closing Price: EUR 234.90**
Price Target: EUR 270.00	**Implied All-in Return (%): 16.7**

Investment summary

Schneider is a high-quality business and we expect robust delivery over the next few years. It has targets for 7-10% per annum organic growth and we forecast ~7% run-rate. This supports an ~9% EPS CAGR to 2029E which we see as underpinning the valuation.

Global leader: Schneider Electric is a global leader in electrical distribution, automation, and energy management products. The company serves the markets for non-residential & residential buildings, industrial & machines, utilities & infrastructures, datacentres and networks. Schneider has top two positions globally in many of the markets it competes in, in particular in the low/medium voltage and UPS markets.

Robust growth: At its November CMD, Schneider set a 4 year 7-10% per annum organic sales CAGR. Schneider's organic growth over the last 5-year period, has averaged 7.4%. We forecast 7-8% per annum average growth over the next 2 years.

Sustainability leader: Schneider has a longstanding track record of a focus on sustainability with strong scores from the relevant rating agencies.

Capital allocation: Schneider's capital allocation has become more targeted and we see the Aveva minority acquisition in 2022 and the India JV buyout set for 2026 as more housekeeping outliers rather than a change in pattern. The balance sheet remains robust at forecast 1.1x net debt / EBITDA at end 2026E.

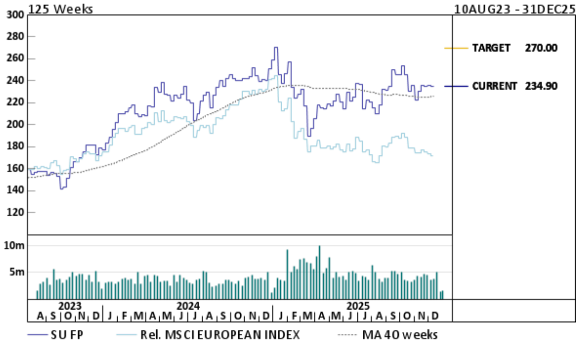
Valuation

We use a combination of EV/EBIT and DCF valuations, giving us a price target of €270. We use a forward EV/EBIT multiple of 20x26E (set at a slight premium to the Electrical peers in view of Schneider's above-average medium-term growth profile), which we apply to 2026E EBITA returning €274. Meanwhile, our DCF returns €267 (using a 7% WACC, perpetuity growth of 3.5% and a 20.5% EBITA margin). Averaging the two results in a rounded €270 price target, which supports our Outperform rating.

Risks to rating and price target

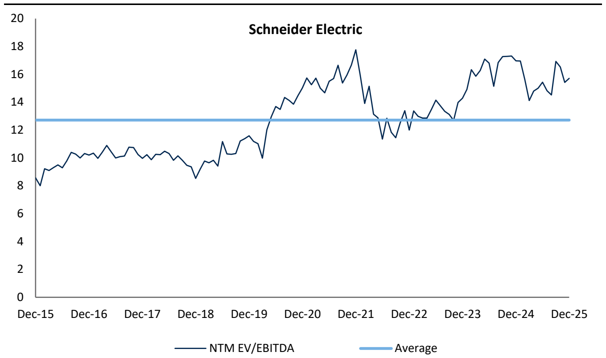
Risks to rating and price target include EPS sensitivity to the economic growth backdrop which could accelerate or decline, Schneider's exposure to Chinese construction activity (we estimate ~5% of sales are driven by this), and exposure to emerging market currencies (Schneider has not been able to shift its production into emerging markets as quickly as its sales mix has shifted). M&A also remains a risk area, both positive and negative, as it remains a core area of the strategy. There are also valuation sentiment risks, most specifically around the datacenter exposure and sentiment on that market.

Exhibit 41 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 42 - Forward consensus EV/EBITDA history



Source: FactSet

Most recent company note: link

Shopify Inc. (NYSE: SHOP; TSX: SHOP)

RBC Dominion Securities Inc.
Paul Treiber, CFA (Analyst) (416) 842-7811, paul.treiber@rbccm.com

Rating: Outperform | **Closing Price: USD 160.97**
Price Target: USD 200.00 | **Implied All-in Return (%): 24.3**

Investment summary

We believe Shopify is one of the most compelling long-term organic growth stories in our coverage. Our Outperform rating reflects: (1) Shopify is likely a key beneficiary of the transition to next-generation commerce platforms and is just starting to monetize many new offerings; (2) further margin expansion due to operating leverage is likely over time; and (3) Shopify is likely to warrant a premium valuation.

Shopify is a key beneficiary of the transition to next-generation commerce platforms. Shopify is one of the leading providers of next-generation commerce software; Shopify has ~2M+ merchants on its platform and has gained significant share with larger merchants over the last several years. The transition from physical retail to e-commerce, the rise of multi-channel commerce (e.g., marketplaces, social commerce), adoption by larger brands, and international are helping to fuel rapid growth in Shopify's GMV. Our outlook calls for Shopify's GMV to rise from $292B in FY24 to $471B by FY26.

Shopify is just starting to fully monetize many of its new offerings. Continued adoption of Shopify Payments, uptake of POS, expansion of Shopify Capital, and other new merchant solutions are likely to help increase Shopify's GMV take rate. Our outlook calls for Shopify's payments penetration to increase from 62% in FY24 to 68% in FY26.

Further margin expansion due to operating leverage is likely over time. While Shopify sees FY25 FCF margins flat with FY24, we believe margins are still likely to rise over time. Our forecast calls for adj. operating margins to reach 17.8% FY26, up from 16.7% FY24. We believe adj. operating margins are likely to rise to the 25% range over time; drivers of potential margin expansion from here include: (1) operating leverage; (2) AI-based automation efficiencies; and (3) further price increases/higher monetization of GMV.

Shopify is likely to warrant a premium valuation. Shopify shares are trading above fast-growing SaaS peers on NTM EV/S and NTM EV/GP. The company's large TAM, take-rate economics, and deepening competitive moat are likely to help sustain positive investor sentiment and warrant a premium to peers, in our view.

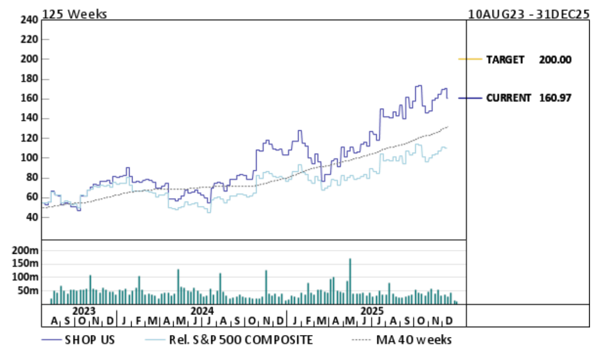
Valuation

Our $200.00 price target is based on 14.2x CY27e EV/Sales. Our target EV/S valuation multiple is justified above peers, given Shopify's large TAM, take-rate economics, and deepening competitive moat. We believe Shopify's valuation multiple is likely to expand over time. Our price target supports our Outperform rating.

Risks to rating and price target

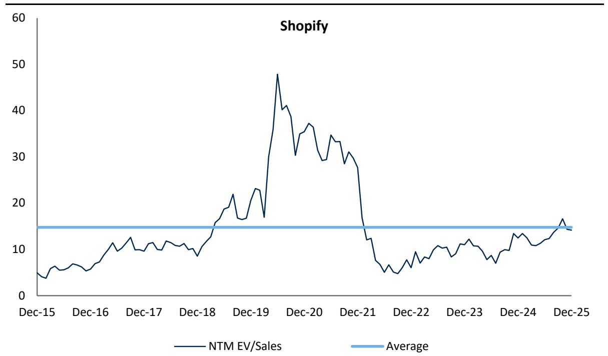
Risks to rating and price target include: (1) headwinds from reduced consumer spending; (2) inability to sustain new merchant growth; (3) new competition from third-party marketplaces and social commerce; (4) lower than expected profitability due to gross margin pressure and/or higher operating expenses; and (5) a decline in tech market valuations.

Exhibit 43 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 44 - Forward consensus EV/Sales history



Source: Factset

Most recent company note: link

Snowflake Inc. (NYSE: SNOW)

RBC Capital Markets, LLC
Matthew Hedberg (Head of Global TIMT Research) (612) 313-1293,
matthew.hedberg@rbccm.com

Rating: Outperform	Closing Price: USD 219.36
Price Target: USD 300.00	Implied All-in Return (%): 36.8

Investment summary

Cloud remains the center of gravity for data: We believe 2026 will increasingly show stability and ultimately improvement in cloud spend, partially benefiting from easier compares. We believe this bodes well for Snowflake, as consumption trends are likely to improve in 2026 as macros stabilize/improve.

A more competitive Data Cloud: Historically, Snowflake was a Cloud Data Warehousing platform, but it has evolved into a Data Cloud platform, which supports use cases across data warehousing, data lakes, and beyond. We believe its move into the data lake market through Snowpark should enable cross-sell into BI use cases and increasingly GenAI.

GenAI should drive higher consumption: We believe that a modern data strategy is a precursor to a GenAI strategy and that Snowflake is well positioned given the large amount of data on its platform, as new GenAI offerings should help drive incremental workload utilization. We think a more material impact on results is likely in 2026 and beyond as new products go into GA. Ultimately, we believe GenAI remains a key tailwind to support the company's long-term growth and margin targets.

SNOW is not inexpensive but deserves a premium valuation, in our view: We believe the premium valuation is warranted based on Snowflake's best-in-class growth, TAM expansion opportunities, management team, and scaling FCF margins.

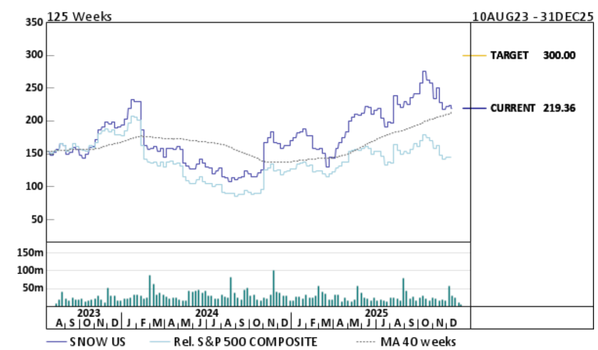
Valuation

We calculate our base-case price target of $300 by applying a 20.5x multiple to our CY/26 revenue estimate. This is a premium to the 30%+ growth peers, in our view warranted by the best-in-class growth, TAM expansion opportunities, and scaling FCF margins. Our price target supports our Outperform rating.

Risks to rating and price target

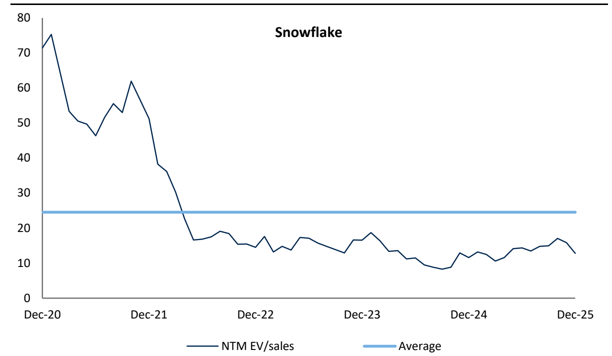
Risks to rating and price target include: (1) consumption trends could fluctuate, particularly in difficult economic times; (2) high level of competition in the market from large established public cloud providers as well as emerging cloud native vendors; (3) the company's ability to attract new customers or expansion within existing customers and its ability to maintain high retention rates; and (4) failure to invest adequately and continue to innovate can create risk of losing share to competitors.

Exhibit 45 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 46 - Forward consensus EV/sales history



Source: FactSet

Most recent company note: link

The Williams Companies, Inc. (NYSE: WMB)

RBC Capital Markets, LLC
Elvira Scotto, CFA (Analyst) (212) 905-5957, elvira.scotto@rbccm.com

Rating: Outperform | **Closing Price: USD 60.11**
Price Target: USD 75.00 | **Implied All-in Return (%): 28.1**

Investment summary

We believe WMB is among the best positioned companies within our coverage universe to benefit from growing natural gas demand. WMB has a long runway for growth given its backlog of high-return projects as well as an attractive opportunity set of additional potential projects that can drive growth into the next decade. Importantly, WMB remains focused on executing on its backlog of growth projects while maintaining its strong balance sheet. We rate WMB Outperform.

Potential catalysts to the stock include: (1) analyst day in February that can reset growth expectations; (2) new high return natural gas pipeline and storage announcements; (3) increased producer activity in the Haynesville Shale and in the Northeast; (4) additional datacenter-related behind-the-meter projects; and (5) accretive bolt-on acquisitions.

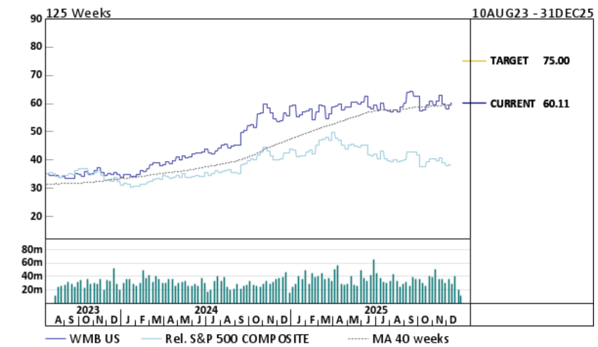
Valuation

We value WMB on an SOTP basis by applying target EV/EBITDA multiples to WMB's consolidated cash flows. Specifically, we apply 11x and 15x multiples to our 2027E G&P/other and TGP EBITDA, respectively (a premium to peers given the significant growth we forecast through 2030). After taking out net debt and minority interest, we arrive at an implied price target of $75/share. Our price target implies a consolidated 2027E EV/ EBITDA of ~13x and supports our Outperform rating.

Risks to rating and price target

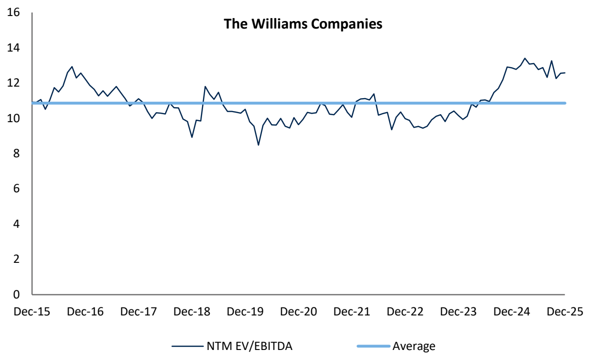
Risks to rating and price target include: (1) project execution risk; (2) commodity price downturn; (3) slower-than-expected natural gas demand growth; and (4) broader macroeconomic slowdown.

Exhibit 47 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 48 - Forward consensus EV/EBITDA history



Source: Factset

Most recent company note: link

U.S. Bancorp (NYSE: USB)

RBC Capital Markets, LLC
Gerard Cassidy (Co-Head of Global Financials Res.) (207) 780-1554, gerard.cassidy@rbccm.com

Rating: Outperform	Closing Price: USD 53.36
Price Target: USD 57.00	Implied All-in Return (%): 10.8

Investment summary

New Leadership: Following 40 years in the banking industry and 8 years as CEO of USB, Andy Cecere has retired. Gunjan Kedia assumed the CEO role on April 15. She has reiterated the financial goals and targets that were laid out at USB's investor day in September 2024. One of the key targets is to drive 200+ basis points (bps) of operating leverage and in the 3Q25 positive core operating leverage was 700 bps (reported was 580 bps.)

Best in Class: USB has demonstrated, through the compound annual growth rate of shareholder returns over the last 10–20 years, that it has consistently been one of the best-performing commercial banks in the US. The company's focus on growing tangible book value and dividends per share has driven this performance, in our view.

Medium-Term Financial Targets: USB's medium-term financial targets include return on assets of 1.15-1.35%, return on tangible common equity in the high-teens, mid-single digit fee income growth, an efficiency ratio in the mid-to-high 50s and a consistent commitment to positive operating leverage. In the 3Q25, USB met all of its medium-term financial targets.

Great Steward of Shareholders' Capital: Management has the utmost respect for shareholders' capital, in our opinion. USB has consistently returned 60–80% of earnings each year through dividends and stock repurchases. Over the next 12 months, we believe the company's return of capital will fall into middle-to-upper part of that range.

Strong Asset Quality: USB has demonstrated strong underwriting skills throughout a credit cycle which has served it very well. It is willing to sacrifice balance sheet and earnings growth to protect the integrity of its balance sheet.

Balanced Revenue Mix: In 3Q25, net interest revenue was ~58% of total core revenue and fee revenue was ~42%. This mix has been a key ingredient of its best-in-class ROE.

Inflection Point: Following general underperformance over the last two years, USB is at an inflection point in 2025 where headwinds are becoming tailwinds as investments the company has made over the last decade begin to bear fruit, driving revenue growth that should outpace expense growth moving forward. USB will look to achieve this success through the interconnectedness of its businesses and deepening relationships with customers while shifting its capital expenditures strategy from defensive to offensive.

Value creation: Long-term shareholder returns are driven by TBV per share and dividend per share growth, in our opinion. USB's 3Q25 TBV per share of $27.84 increased 5.0% sequentially and 13% year-over-year. Additionally, its book value per share of $36.33 increased 3.6% sequentially and 9.0% year-over-year.

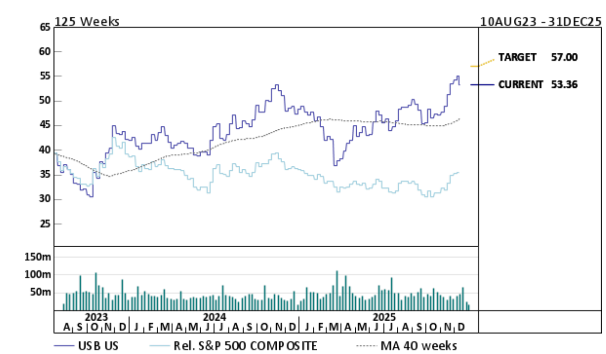
Valuation

Our price target of $57 equates to 11.6x our 2026 EPS estimate, 1.45x 4Q26E book value, and 1.84x 4Q26E tangible book value. These multiples are consistent with the highest-quality banks in the peer group. Our price target primarily reflects our profitability and risk assessment of the company relative to a peer group of similar companies, as well as current economic expectations. Our price target and implied return support our Outperform rating.

Risks to rating and price target

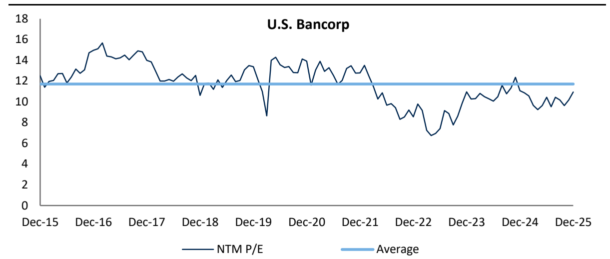
We believe macroeconomic concerns, driven by the tariff polices of the Trump Administration, are the largest risk to our rating and price target. An economic downturn driven by higher inflation and policy uncertainty could lead to a deterioration of credit quality and lead to high provisions. If the current trade policies were to lead to a recession or stagflation, we believe the banking sector would be adversely affected.

Exhibit 49 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 50 - Forward consensus P/E history



Source: FactSet

Most recent company note: link

Visa Inc. (NYSE: V)

RBC Capital Markets, LLC
Daniel R. Perlin, CFA (Analyst) (410) 977-0821, daniel.perlin@rbccm.com

Rating: Outperform	**Closing Price: USD 350.71**
Price Target: USD 395.00	**Implied All-in Return (%): 13.4**

Investment summary

We believe V is a core long-term holding and an "indexed" way to play payments and benefit from three global secular trends: (1) continued share gains in global cash-to-digital conversion; (2) capturing new payment flows via its network-of-networks strategy; and (3) increased utilization of value-added services. In addition, the TAM for new payment flows is ~4x the size of PCE and V is <1% penetrated, value-added services should grow 2x consumer payments, and the cross-border recovery continues to unfold.

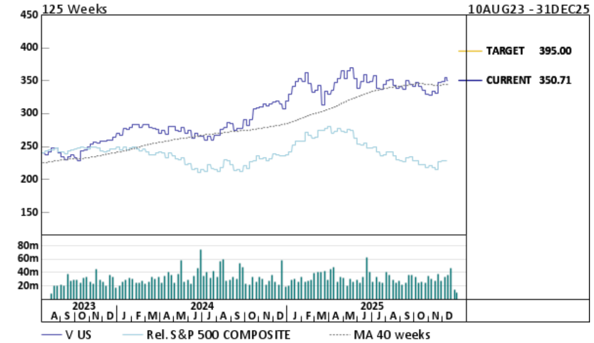
Valuation

Our price target of $395 is based on 30x our CY26 EPS estimate of $13.11, generally in line with Visa's fundamental peers. Underlying our EPS estimates are expectations for double-digit revenue growth, partly driven by a resumption of global cross-border travel. Our price target supports our Outperform rating.

Risks to rating and price target

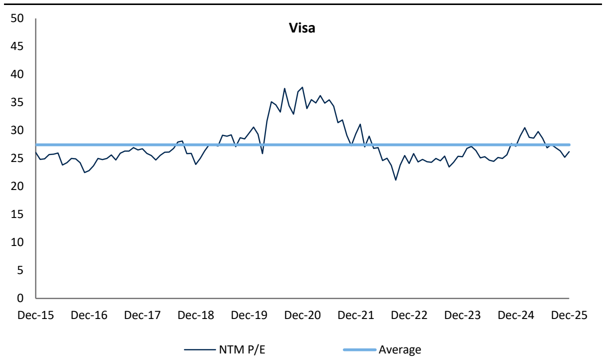
Risks to rating and price target include a persistent slowdown in payment volumes and cross-border travel as a result of macro conditions, increased regulatory scrutiny, or pushback from large financial institutions on pricing.

Exhibit 51 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 52 - Forward consensus P/E history



Source: Factset

Most recent company note: link

Wisetech Global Limited (ASX: WTC)

Royal Bank of Canada, Sydney Branch
Garry Sherriff (Lead Technology Research Analyst, Australia) +61 2 9033 3022,
garry.sherriff@rbccm.com

Rating: Outperform | **Closing Price: AUD 68.46**
Price Target: AUD 110.00 | **Implied All-in Return (%): 61.0**

Investment summary

Technology and lead time – We believe WTC has a +20-year head start. WTC has invested ahead of competitors in terms of product investment. WTC primarily competes against in-house platforms, which can provide core functionality such as quoting, engaging with carriers, sending and tracking freight and billing. These platforms, however, often lack functionality such as customs clearance, warehousing, and international eCommerce, which CargoWise can provide. Further, 3PLs are increasingly demanding platforms that can support real-time tracking, automation and advanced data analytics among other features.

eCommerce and digitisation expand WTC's moat. The rise of eCommerce has increased demand for same day/last mile delivery, which has increased the complexity of international supply chains, reinforcing CargoWise's value proposition. WTC counts 14 of the top 25 global freight forwarders as customers, which we believe speaks to the strength and leadership position of its platform for international 3PL.

Large TAM and growth runway. We estimate the size of the global logistics software market will grow to **US$26.4bn or A$41.2bn** at spot by 2026. Our estimate is the average market size estimates from three external research providers.

Mission-critical software with 96% recurring revenue, <1% churn. CargoWise makes up the bulk of WTC's revenue and operates under a seat plus transaction licensing agreement. The transaction-based model charges based on a per transaction executed and per individual user basis. Volumes can vary depending on the number and size of customers and on their level of activity. A temporary contracted pricing arrangement charges customers on a fixed monthly rate over a defined period with contractual price increases and charges for excess use.

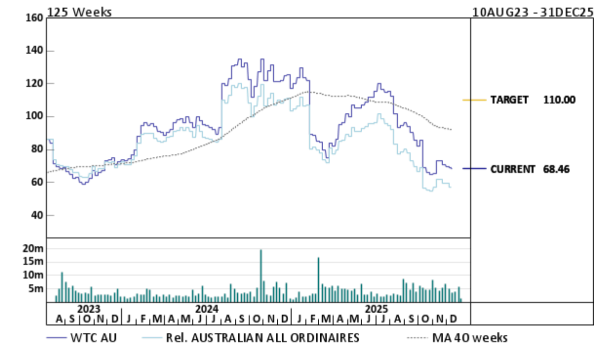
Valuation

Our A$110.00/share 12-month target price is our 50/50 DCF and comparable multiple-based valuation. We use a 10-year DCF period and our terminal value is the average of perpetuity growth rate (3.5%) and a terminal EV/EBITDA multiple (17x). Our price target supports our Outperform rating.

Risks to rating and price target

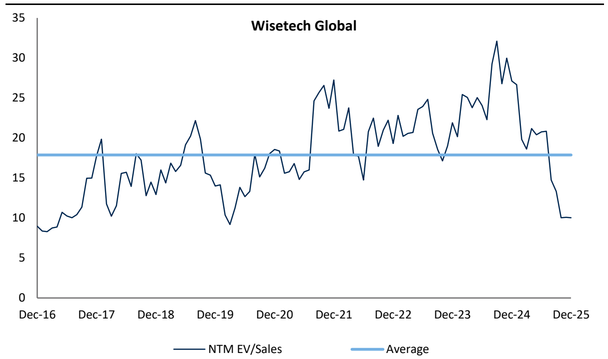
Risks to rating and price target include: (1) founder influence and succession; (2) weak freight forwarding volumes affecting customer spend; (3) higher investment in opex and capex above market expectations; (4) increased competition, new entrants in the international LSP space; (5) FX unpredictability affecting margins; (6) margin dilution and increased investment as a result of bolt-on acquisitions; (7) M&A frictions and integration risks; and (8) software security and privacy threats.

Exhibit 53 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 54 - Forward consensus EV/Sales history



Source: Factset

Most recent company note: link

Xcel Energy Inc. (NASDAQ: XEL)

RBC Capital Markets, LLC
Stephen D'Ambrisi (Analyst) (212) 428-6462, stephen.dambrisi@rbccm.com

Rating: Outperform	**Closing Price: USD 73.86**
Price Target: USD 97.00	**Implied All-in Return (%): 34.6**

Investment summary

We rate Xcel Outperform with a PT of $97. With the overhang from the Marshall Fire behind XEL, we expect investors to underwrite significant capital expenditure upside relating to generation needs, and look for relative premium to expand back to historical average levels (~8%). We expect XEL's 3Q25 roll forward will drive their rate base CAGR near 11%, resulting in an above-consensus 8.6% 4Y EPS CAGR through '29.

Valuation

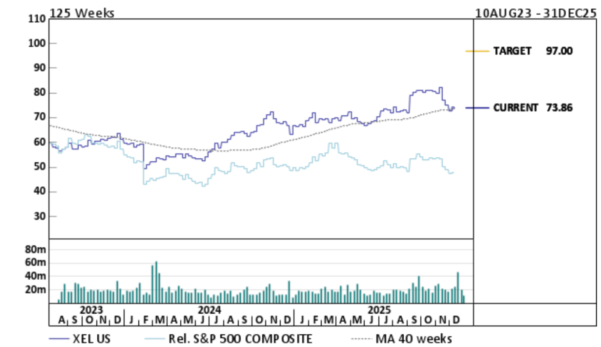
Our $97 PT is based on a SOTP approach using our 2028 estimates, which reflects: (1) a 10% premium to regulated electric peers for PSCO; (2) a 5% premium to regulated electric peers for NSPM; (3) a 7.5% premium to regulated electric peers for SPS; (4) a 15% premium to regulated electric peers for NSPW; and (5) an 8.2% premium to an electric peer group average multiple for parent drag. Our $97 price target implies a consolidated 19.6x 2028E P/E which represents an 8.2% premium to the group at 18.1x. Our price target supports our Outperform rating.

Risks to rating and price target

Downside risks include: (1) unfavorable outcome in the 2025-26 PSCO rate case; and (2) wildfire activity.

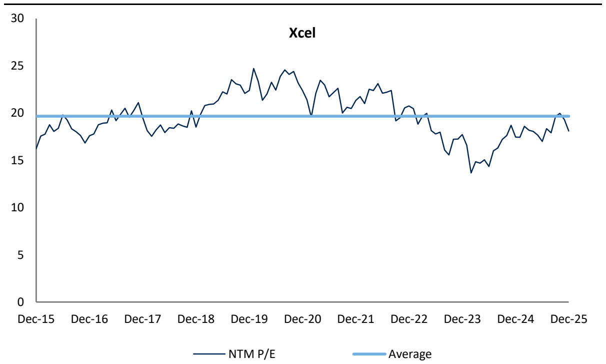
Upside risks include: (1) incremental generation above the 5-10GW needed at SPS and 5-14GW needed at PSCO; and (2) regulatory improvement in less favorable jurisdictions such as CO.

Exhibit 55 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 56 - Forward consensus P/E history



Source: Factset

Most recent company note: link

Ventas, Inc. (NYSE: VTR)

RBC Capital Markets, LLC
Michael Carroll, CFA (Head of US Real Estate Research) (440) 715-2649,
michael.carroll@rbccm.com

Rating: Outperform | **Closing Price: USD 77.38**
Price Target: USD 83.00 | **Implied All-in Return (%): 9.7**

Investment summary

Ventas, Inc. (VTR) is among the largest healthcare REITs and maintains a diverse portfolio consisting of nearly every healthcare property type. SHOP is the largest segment of the portfolio and is in the middle of its recovery from the impact of COVID-19.

Potential catalysts:

SHOP trends could re-accelerate quicker than expected. The SHOP has delivered solid growth over the past few years, and given the current backdrop, these trends could potential pick-up. Demand trends could get stronger given the space is still in the early stages of the 80+ demographic wave and the supply picture remains muted.

Investment focus could resume. The company could be more active taking advantage of the dislocated private markets, acquiring seniors housing communities at a discount (v. historical levels). However, we believe VTR would likely need a better cost of capital that would allow management to be more aggressive.

ESG focus could attract a new class of investors. VTR has been deemed a leader in ESG by multiple industry publications, and this focus could attract new investors.

Valuation

Price target justification: Our price target of $83/share is ~24.5x our $3.41/share 4Q26-3Q27 AFFO estimate. This multiple reflects our expectation of 7 years of elevated AFFO growth (~11.0%) and a long-term multiple of ~21x, which would still reflect a premium to the pre-COVID (2017–1Q19) average of ~17x and is above the high end of that trading range of 13.3-19.5x. Our price target supports our Outperform rating.

NAV: We estimate the in-place NAV at $55.05/share. Given the growth outlook, this estimate increases to $67.28/share at YE26 (looking at 2027) from $58.46/share at YE25 (looking at 2026).

Risks to rating and price target

The greatest risks to our estimates, recommendation, and price target center around general market conditions, consumer preferences, and regulatory trends including but not limited to availability and cost of capital, seniors desire and willingness to move into a seniors housing facilities, and changes to the healthcare delivery system including potential cuts to government funded programs. We highlight a few company-specific risks below. Investors can find a more inclusive risk section in the company's filings with the Securities and Exchange Commission.

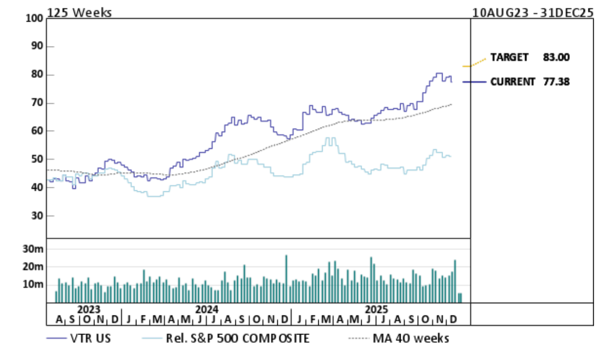
Other company-specific risks:

SHOP growth outlook could be more muted. While the SHOP fundamental backdrop remains attractive, results could be more muted in the near-term if residents' families elect to delay decisions and operating cost pressures persist. This would also have an impact on VTR's growth potential and could compress the stock's multiple.

Leverage is at the upper end of the target range. Net debt to EBITDA (company-defined) is 5.7x compared to the 5.0–6.0x target. We expect the SHOP recovery to drive these metrics lower over time.

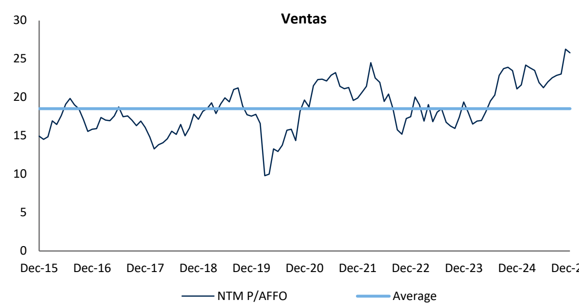
Potential NIH budget changes: Ventas' R&I platform/Wexford exposure (8%) could be impacted if the new Administration meaningfully reduces the NIH budget.

Exhibit 57 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 58 - Forward consensus P/AFFO history



Source: Factset

Most recent company note: link

Xylem Inc. (NYSE: XYL)

RBC Capital Markets, LLC
Deane Dray, CFA (Co-Head of Global Industrials Research) (212) 428-6465,
deane.dray@rbccm.com

Rating: Outperform	Closing Price: USD 136.18
Price Target: USD 176.00	Implied All-in Return (%): 30.2

Investment summary

Largest US water pure-play with attractive defensive growth and sustainability appeal. Xylem is the largest US pure-play water technology solutions provider, with a commanding first-mover advantage in the multi-year adoption of smart water systems. Growing digitally enabled products is longer term a margin tailwind. Xylem also benefits from scarcity value (limited water pure-plays) and sustainability appeal.

Potential catalysts:

Advanced Infrastructure Analytics (AIA) is an incubator of new smart water solutions. AIA consists of Pure Technologies and Xylem's digital solutions platform, which includes its acquisitions of EmNet, Visenti, HYPACK, and Valor Water Analytics. We would characterize AIA as an "incubator" of new water technologies within the Xylem portfolio, with a mandate to develop and pilot innovative software and data analytics.

COVID-19 pandemic accelerated adoption of smart water offerings. Xylem believes the pandemic accelerated trends that had already been emerging in the water utilities space, such as remote asset and workforce management, automated operations, and remote monitoring. The increasing focus on the affordability of capex and productivity of opex by utilities customers should also spur conversions to its digital offerings.

Evoqua synergies. Where the deal gets compelling, will be the "old school" revenue synergies; namely taking Evoqua treatment services internationally and increasing the share of wallet with municipalities.

Valuation

Our $176 price target assumes XYL trades to a 45% premium to our 2026E target group P/E multiple of 22.0x, above the midpoint of its historical relative P/E range of 25%-50%. We believe that our target multiple is warranted given encouraging long-term trends in the water utility end market, a mix-shift to digital, revenue and cost synergy opportunities, PFAS remediation tailwind on the horizon, capital allocation, and investments in new smart water solutions that we expect to ramp over the coming years. On our 2026 cash EPS estimate, this underpins our price target, which supports our Outperform rating.

Risks to rating and price target

Economic conditions. Macro trends such as inflation/deflation, credit availability, currency, commodity costs and availability, and supply chain could all cause Xylem's results to differ from our estimates.

Europe. At 24% of revenues, Xylem carries one of the higher exposures to Europe in the sector.

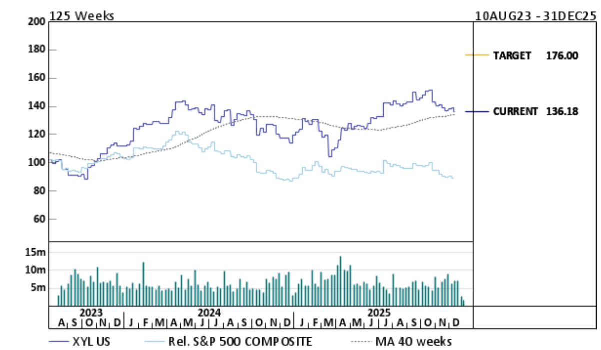
Foreign exchange. FX headwinds from the appreciation of the USD would have an outsized negative impact on sales.

Regulations. Xylem's solutions are often a beneficiary of new regulations on water quality, efficiency, and usage. However, regulations can also affect which technology wins in a competitive new market.

Acquisitions. A failure to identify and integrate acquisitions successfully could prevent the company from reaching its full growth potential.

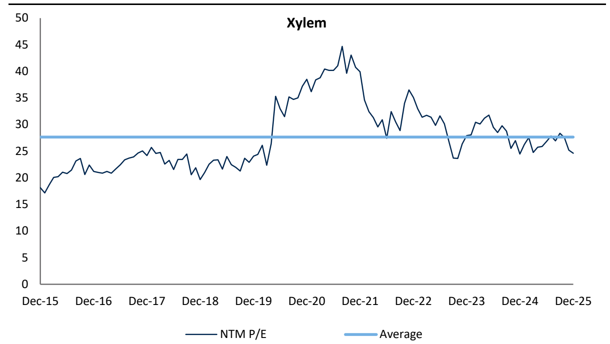
Competition. The global water sector remains highly competitive. The rise of credible Chinese players in the global water market is a key risk factor.

Exhibit 59 - Share performance and RBC valuation



Source: Bloomberg and RBC Capital Markets estimates for Target

Exhibit 60 - Forward consensus P/E history



Source: FactSet

Most recent company note: link

Required disclosures

Non-U.S. analyst disclosure

One or more research analysts involved in the preparation of this report (i) may not be registered/qualified as research analysts with the NYSE and/or FINRA and (ii) may not be associated persons of the RBC Capital Markets, LLC and therefore may not be subject to FINRA Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Conflicts disclosures

This product constitutes a compendium report (covers six or more subject companies). As such, RBC Capital Markets chooses to provide specific disclosures for the subject companies by reference. To access conflict of interest and other disclosures for the subject companies, clients should refer to **https://www.rbccm.com/GLDisclosure/PublicWeb/DisclosureLookup.aspx?entityId=1.** These disclosures are also available by sending a written request to RBC Capital Markets Research Publishing, P.O. Box 50, 200 Bay Street, Royal Bank Plaza, 29th Floor, South Tower, Toronto, Ontario M5J 2W7 or an email to rbcinsight@rbccm.com.

The analyst(s) responsible for preparing this research report received compensation that is based upon various factors, including total revenues of the member companies of RBC Capital Markets and its affiliates, a portion of which are or have been generated by investment banking activities of the member companies of RBC Capital Markets and its affiliates.

With regard to the MAR investment recommendation requirements in relation to relevant securities, a member company of Royal Bank of Canada, together with its affiliates, may have a net long or short financial interest in excess of 0.5% of the total issued share capital of the entities mentioned in the investment recommendation. Information relating to this is available upon request from your RBC investment advisor or institutional salesperson.

Explanation of RBC Capital Markets Equity rating system

An analyst's "sector" is the universe of companies for which the analyst provides research coverage. Accordingly, the rating assigned to a particular stock represents solely the analyst's view of how that stock will perform over the next 12 months relative to the analyst's sector average.

Ratings
Outperform (O): Expected to materially outperform sector average over 12 months.

Sector Perform (SP): Returns expected to be in line with sector average over 12 months.

Underperform (U): Returns expected to be materially below sector average over 12 months.

Restricted (R): RBC policy precludes certain types of communications, including an investment recommendation, when RBC is acting as an advisor in certain merger or other strategic transactions and in certain other circumstances.

Not Rated (NR): The rating, price targets and estimates have been removed due to applicable legal, regulatory or policy constraints which may include when RBC Capital Markets is acting in an advisory capacity involving the company.

Risk Rating: The **Speculative** risk rating reflects a security's lower level of financial or operating predictability, illiquid share trading volumes, high balance sheet leverage, or limited operating history that result in a higher expectation of financial and/or stock price volatility.

Distribution of ratings

For the purpose of ratings distributions, regulatory rules require member firms to assign ratings to one of three rating categories - Buy, Hold/Neutral, or Sell - regardless of a firm's own rating categories. Although RBC Capital Markets' ratings of Outperform (O), Sector Perform (SP), and Underperform (U) most closely correspond to Buy, Hold/Neutral and Sell, respectively, the meanings are not the same because our ratings are determined on a relative basis.

Distribution of ratings
RBC Capital Markets, Equity Research
As of 31-Dec-2025

			Investment Banking Serv./Past 12 Mos.	
Rating	Count	Percent	Count	Percent
BUY [Outperform]	884	58.31	282	31.90
HOLD [Sector Perform]	586	38.65	160	27.30
SELL [Underperform]	46	3.03	3	6.52

Conflicts policy

RBC Capital Markets Policy for Managing Conflicts of Interest in Relation to Investment Research is available from us on request. To access our current policy, clients should refer to https://www.rbccm.com/global/file-414164.pdf or send a request to RBC Capital Markets Research Publishing, P.O. Box 50, 200 Bay Street, Royal Bank Plaza, 29th Floor, South Tower, Toronto, Ontario M5J 2W7. We reserve the right to amend or supplement this policy at any time.

Dissemination of research

RBC Capital Markets endeavors to make all reasonable efforts to provide research content simultaneously to all eligible clients, having regard to local time zones in overseas jurisdictions. RBC Capital Markets provides eligible clients with access to Research Reports on the Firm's proprietary INSIGHT website, via email and via third-party vendors. Please contact your investment advisor or institutional salesperson for more information regarding RBC Capital Markets' research.

For a list of all recommendations on the company that were disseminated during the prior 12-month period, please click on the following link:
https://rbcnew.bluematrix.com/sellside/MAR.action

The 12 month history of Quick Takes can be viewed at https://www.rbcinsightresearch.com/.

Analyst certification

All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) named herein is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report.

Third-party disclaimers

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P") and is licensed for use by RBC. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

RBC Capital Markets disclaims all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any statements made to the media or via social media that are in turn quoted in this report, or otherwise reproduced graphically for informational purposes.

Disclaimer