

**US Autos & Industrial Tech**

# 2024 Communacopia + Technology conference preview

We will host fireside chats and/or small group meetings with 12 companies (RIVN, F, TSLA, APTV, MBLY, AUR, SYM, CHPT, ST, KEYS, FLEX and VRT) at the Goldman Sachs Communacopia + Technology Conference in San Francisco on September 9-12.

In this note, we discuss five key themes we expect to be topical and that we hope to learn more on at the conference, including: 1) state of the auto cycle, and whether soft June/3Q auto production was a temporary reset lower or the start of a prolonged downturn; 2) sustainability of datacenter demand, including how a slightly delayed Blackwell ramp will affect fundamentals for our companies; 3) progress with industrial supply chain destocking, and how concerning the weaker ISM readings in recent months may be; 4) timeframes and progress for ADAS and AVs, and a discussion on potential rideshare and AV business models; 5) opportunities from recurring businesses in areas like software and digital services.

## 1) Automotive demand trends

We believe investors will look to better understand automotive demand trends, especially after some weaker datapoints this summer. Several auto tier 1 suppliers reported broader-based weakness in production schedules in the month of June, and expect weaker 2H24 production outlooks, driven by inventory levels, delayed program launches (especially EVs), and slower demand/key customer exposure. In fact, monthly auto production in key regions has been down on a yoy basis in June, July and August per IHS. Production in North America was down 8%/6%/6% in June/July/August, Europe was down 11%/2%/16%, and China was down 2%/2%/4% (Exhibit 1).

**Mark Delaney, CFA**

+1(212)357-0535 |  
mark.delaney@gs.com  
Goldman Sachs & Co. LLC

**Will Bryant**

+1(212)934-4705 | will.bryant@gs.com  
Goldman Sachs & Co. LLC

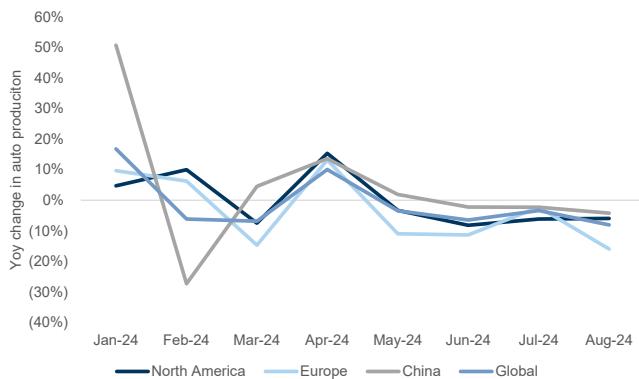
**Morgan Leung**

+1(212)934-4683 |  
morgan.leung@gs.com  
Goldman Sachs & Co. LLC

**Aman Gupta**

+1(212)357-1549 |  
aman.s.gupta@gs.com  
Goldman Sachs & Co. LLC

### Exhibit 1: IHS monthly yoy change in auto production in key regions



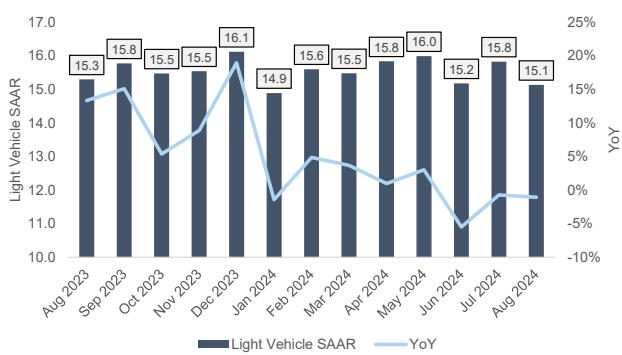
Source: IHS

With inventory levels of finished vehicles generally reasonable in aggregate (e.g. days and units of inventory are still below historical levels, as we show in more detail later in this section of the note), we believe that broader demand trends and more stability in powertrain mix plans will be key factors on how the market progresses.

Notably in the US, light vehicle SAAR has been tracking to the mid 15 mn range YTD. Sales in the US are up 2% YTD and 3% QTD through August. Notably, sales on an absolute basis decreased yoy in both June and July before increasing in August (albeit aided by an extra selling day compared to August 2023). EV sales are up 12% QTD and up 8% YTD through August, while hybrid sales are up 34% QTD and 35% YTD.

As inventory levels have been normalizing, incentives have increased and are approaching historical levels. We note that Ford commented during its 2Q earnings call that it is assuming ~2% lower industry pricing for 2024 and GM commented that it was assuming pricing would be down 1-1.5% in 2H24.

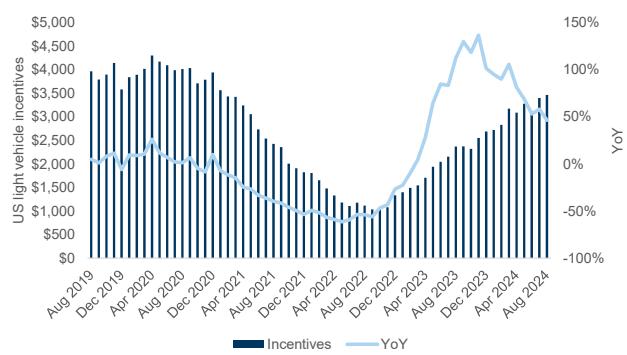
### Exhibit 2: US light vehicle SAAR



June 2024 SAAR excluding impact of the cyberattack is estimated at 15.9 mn

Source: Wards

### Exhibit 3: Incentives in the US are trending towards normalized levels



Source: Autodata

European auto sales in key geographies are down 9% QTD and up 2% YTD through August, and sales in China are down 3% QTD and up 2% YTD through July. We show monthly auto sales by region in Exhibit 4. In Europe, PHEV volumes are down 12% QTD

and about flat YTD and BEVs are down 32% QTD and down 9% YTD. In China, through July, PHEV sales are up 83% QTD and up 87% YTD with BEVs up 2% QTD and up 10% YTD.

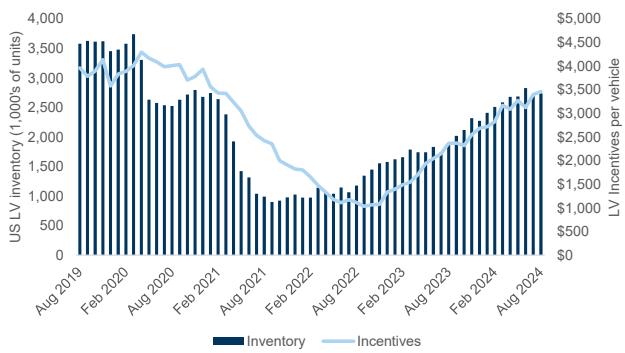
#### Exhibit 4: Regional yoy sales growth in key regions



Source: Wards, Motor Intelligence, ACEA, CPCA

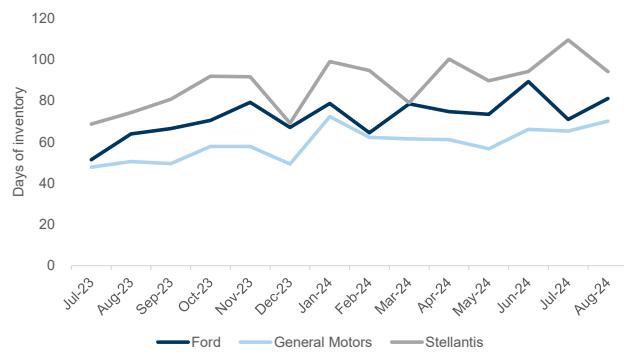
Auto finished vehicle inventory levels in the US remain somewhat below historical levels through August at 2.7 mn units (vs. historical levels at ~3.5 mn; [Exhibit 5](#)) and at about 54 days (vs. the historical average of about 60-70). However, days of inventory for select OEMs are high, with Stellantis in particular well above the industry ([Exhibit 6](#)). Per Motor Intelligence, days of inventory in August was at 70 for GM, 81 for Ford, and 94 for Stellantis.

#### Exhibit 5: US LV inventory and incentives continue to increase towards more normalized levels



Source: Autodata

#### Exhibit 6: Days of inventory for GM, Ford, and Stellantis

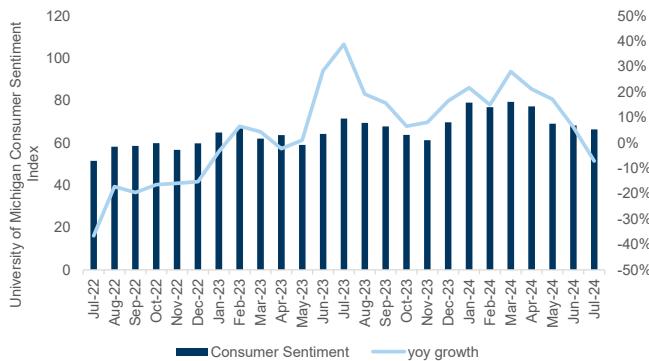


Source: MotorIntelligence

A few key metrics that have historically correlated well with auto demand in the US are consumer sentiment and housing, and these metrics both weakened recently. We believe this is in line with how US LV SAAR has been tracking.

While consumer sentiment in the US has been up yoy over the past several months (albeit from a low base), it showed a decline yoy in July ([Exhibit 7](#)).

**Exhibit 7: US consumer confidence decreased by ~7% yoy in July after being up yoy Jan-Jun**



Source: University of Michigan

Housing starts decreased yoy in May, June, and July ([Exhibit 8](#)). We note that our GS macro colleagues forecast full year 2024 housing starts to decline low to mid single digits yoy before seeing yoy increases in 2025/26.

**Exhibit 8: US housing starts declined yoy in March, May, and June**



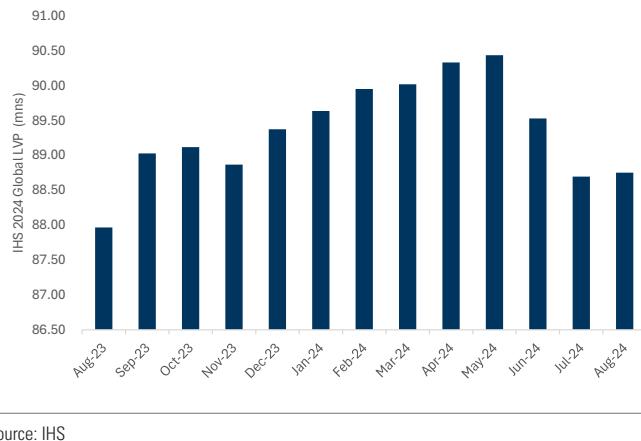
Source: FRED

**Auto production forecast was revised slightly higher by IHS in August**

In August, IHS slightly increased its 2024 production outlook to 88.8 mn, which still implies a 2% yoy decline. As of earlier this spring, the view was for relatively flat yoy production. Auto suppliers in our coverage generally expect production to decline by 2-3% for 2024, in line to modestly below IHS.

The IHS forecast for 2025 implies 2% yoy growth.

**Exhibit 9: 2024 IHS production estimates had been revised slightly higher in August after revisions in June and July**  
**2024 Global LV production**



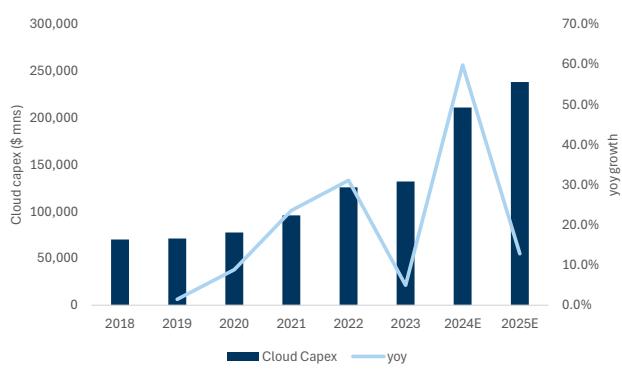
Source: IHS

## 2) Datacenter end market remains strong, although Blackwell mix impact and growth rates remain key debates

We expect the sustainability of demand strength in the datacenter to be a key topic, especially with Blackwell ramping up slightly later with shipments now starting in 4Q this year.

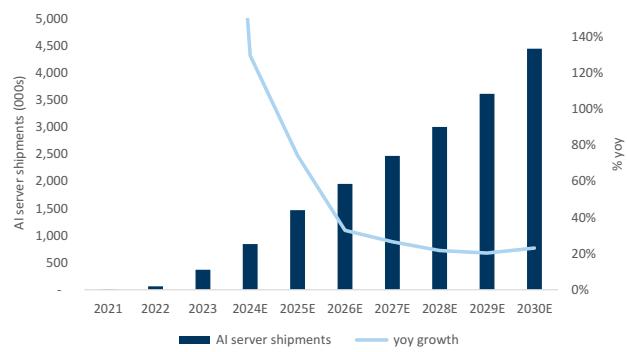
The GS cloud capex forecast is for a 60% yoy increase this year and 13% in 2025 ([Exhibit 10](#)) and for AI servers, our team expects >100% yoy growth in 2024 and 74% yoy in 2025 ([Exhibit 11](#)).

### Exhibit 10: GS cloud capex forecast for major hyperscalers



Source: Company data, Goldman Sachs Global Investment Research

### Exhibit 11: GS forecast for AI shipments expects >100%/74%/33% growth yoy in 2024/25/26



Source: Goldman Sachs Global Investment Research, Company data

We also note that, as written by our Semis team in their notes on Nvidia in their earnings [wrap](#), demand for Hopper products remains strong and Nvidia expects to start recognizing several billion dollars of Blackwell revenue in FY4Q and several hyperscalers continue to grow capex in CY24 and in some cases CY25 ([Exhibit 12](#)). Nvidia also noted strong demand for both liquid and air cooling on its earnings call.

**Exhibit 12: Commentary from US hyperscalers on CY2Q earnings calls points to capex growth**

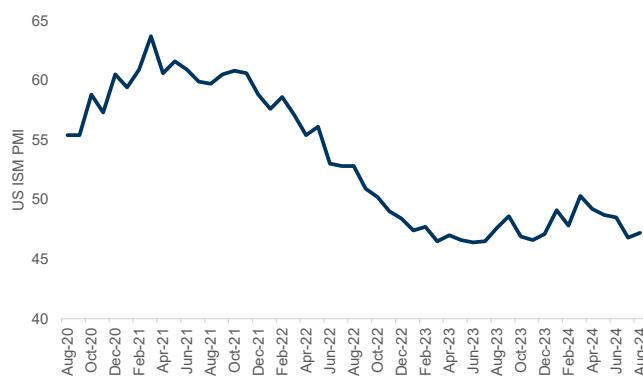
	<b>AI Capex Related Commentary</b>
<b>Alphabet</b>	<ul style="list-style-type: none"> <li>• Expects to spend \$12bn or more on capex on a quarterly basis throughout the remainder of the year, which compares with its Q1/Q2 capital outlay of \$12.0bn/\$13.5bn, respectively</li> </ul>
<b>Microsoft</b>	<ul style="list-style-type: none"> <li>• Expects to grow capex in FY2025 vs. FY2024 in order to meet the growing demand for its AI and Cloud products</li> <li>• Expects to increase capex on a sequential basis to meet Cloud and AI demand that currently exceeds Microsoft's capacity</li> <li>• Capacity constraints, particularly on AI at Azure, are expected to remain through FY1H25</li> </ul>
<b>Meta</b>	<ul style="list-style-type: none"> <li>• Increased its FY2024 capex outlook to \$37-40bn from \$35-40bn prior</li> <li>• Also expects to significantly increase capex in FY2025 as the company intends to invest to support its AI research and product development efforts</li> </ul>
<b>Amazon</b>	<ul style="list-style-type: none"> <li>• Expects capex to be higher in the second half of the year</li> <li>• The majority of capex will be spent on supporting growing demand for the company's generative AI and non-generative AI workloads</li> </ul>

Source: Company data

### 3) After several quarters of weaker shipments into the Industrial market, there is the potential for stronger 2025 sales - will the softer ISM derail that?

The industrial end market has been soft for some time for our coverage group, with many companies having realized weak demand in this vertical for the last year in part to reduce supply chain inventory. What level of end demand may be needed to allow for improved sales growth off of a low base, and if the sub 50 ISM readings in recent months will derail a potential pick-up in 2025, will be a key topic in our view.

While the US ISM manufacturing index increased in August to 47.2 from 46.8 in July, it was slightly below consensus expectation of 47.5 (as the GS macro team wrote in a report from [9/3](#)). We note that while the US ISM PMI increased mom in August for the first time since March 2024, the August reading was down 1% yoy (after the index was up 8%/5%/5%/5%/1% yoy in March/April/May/June/July respectively).

**Exhibit 13: US ISM PMI**


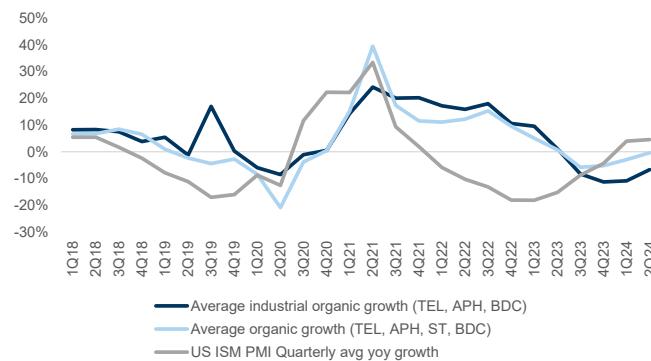
Source: FactSet

The manufacturing PMI in Europe has been flat from June through August. The manufacturing PMI in China was down slightly in August.

**Exhibit 14: Manufacturing PMI in US, China, and Europe**


Source: FactSet

Importantly, the organic growth in the industrial market for several of our electronics components companies has historically been reasonably well correlated with the yoy change in the ISM index (rather than the absolute level of the ISM index), as shown in [Exhibit 15](#).

**Exhibit 15: Organic growth for TEL, APH, ST, and BDC compared to the US ISM PMI quarterly average growth**


Source: Company data, FactSet

## 4) Timeframes and progress updates for autonomy, and a discussion on potential rideshare and AV business models

We expect ADAS and AV technology development timeframes and business models to be topical for companies in our coverage (e.g. MBLY, AUR, TSLA, RIVN, F). Uber (covered by Eric Sheridan) will also be at the conference, and Uber has been a partner for several of the auto/tech companies we cover (e.g. the recent Uber/Cruise announcement to bring Cruise autonomous vehicles (AVs) to Uber starting in 2025, as discussed [here](#)).

For reference, we discussed progress of various AV company efforts and potential rideshare/AV business models in our 7/10/24 report "[Can new AI technology help](#)

accelerate AV deployments? Updating our global ADAS and AV forecast."

**Aurora** is focused on developing autonomous driving technology, with an initial focus on the Class 8 trucking market. The company plans to initially launch in Texas at the end of 2024 on its Dallas to Houston route, and expand over time. During the second quarter, Aurora commented that it is scheduling more than 140 loads per week for its customers. Cumulative to-date through 7/28/24, Aurora has autonomously delivered (under the supervision of vehicle operators) 6,785 loads, driving 1.8 mn+ commercial miles, with nearly 100% on-time performance for its pilot customers, including FedEx, Werner, Schneider, and Uber Freight, per the company. Additionally, Aurora reiterated its target for a commercial launch at the end of 2024 and noted it is readying its technology to close its launch lane Safety Case. Importantly, while Aurora plans to own and operate its early trucking fleet, its long term plan is to operate a driver as a service business (DaaS) where Aurora will supply self-driving technology and earn revenue on a fee per mile basis. Aurora is partnering with Continental to jointly develop, manufacture, and service future generations of the Aurora Driver hardware. This would begin in 2027, and Aurora would pay Continental on a per mile basis.

**Mobileye** is a leading provider of solutions for the advanced driver assistance system (ADAS) and autonomous vehicle markets. Mobileye's product portfolio includes base/enhanced ADAS (hands-on/eye-on), SuperVision (hands-off/eyes-on), Chauffeur (eyes-off), and Drive (no driver in the car). Mobileye's technology uses common building blocks (such as mapping, vision AI, and its safety framework) and can address both ADAS and AV applications, allowing it to gain operational and financial leverage, and scale efficiently. Mobileye believes it has ~60-65% market share with the traditional ADAS products and has historically worked with the majority of top OEMs. On customer traction and new design wins, Mobileye commented on its 2Q call that it now has advanced product wins or is in advanced discussions with 14 OEMs representing approximately 52% of production.

## 5) Opportunities from recurring businesses in areas like software and digital services

We expect a handful of attending companies in our coverage such as **F, RIVN, KEYS, SYM** and **CHPT** to highlight their opportunities to improve the resiliency of their profits with recurring software and services revenue streams.

For Ford, the company noted on its 2Q EPS call that paid software subscriptions were up 40% in the quarter to over 765K, with growth across all three customer segments and gross margins over 50%. Paid subscriptions for Ford Pro intelligence grew 35% yoy to ~610K paid subscriptions with triple digit growth in telematics fleet management and charging depot software, per the company. Ford also said that it is targeting ~\$1 bn in revenue in 2025 from software.

Rivian introduced Connect+ earlier in August, which is a streaming and connectivity service for music, audio, and video via a monthly or annual subscription. Per the blog

post, all Rivian owners will start with a Connect+ two-month trial, and customers can subscribe to Connect+ for \$14.99/mo or \$149.99/year following the trial.

On Keysight's 3QFY24 earnings call in August, the company noted that software and services remained at ~39% of revenue and growth continued to outpace overall Keysight. Moreover, annually recurring software/services makes up nearly 30% of total revenue, per the company.

Finally, as Symbotic and ChargePoint grow their installed bases of hardware, each company expects an associated rise in software and service revenue (which in turn should also help support higher margins).

# Disclosure Appendix

## Reg AC

We, Mark Delaney, CFA, Will Bryant, Morgan Leung and Aman Gupta, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Unless otherwise stated, the individuals listed on the cover page of this report are analysts in Goldman Sachs' Global Investment Research division.

## GS Factor Profile

The Goldman Sachs Factor Profile provides investment context for a stock by comparing key attributes to the market (i.e. our coverage universe) and its sector peers. The four key attributes depicted are: Growth, Financial Returns, Multiple (e.g. valuation) and Integrated (a composite of Growth, Financial Returns and Multiple). Growth, Financial Returns and Multiple are calculated by using normalized ranks for specific metrics for each stock. The normalized ranks for the metrics are then averaged and converted into percentiles for the relevant attribute. The precise calculation of each metric may vary depending on the fiscal year, industry and region, but the standard approach is as follows:

**Growth** is based on a stock's forward-looking sales growth, EBITDA growth and EPS growth (for financial stocks, only EPS and sales growth), with a higher percentile indicating a higher growth company. **Financial Returns** is based on a stock's forward-looking ROE, ROCE and CROCI (for financial stocks, only ROE), with a higher percentile indicating a company with higher financial returns. **Multiple** is based on a stock's forward-looking P/E, P/B, price/dividend (P/D), EV/EBITDA, EV/FCF and EV/Debt Adjusted Cash Flow (DACP) (for financial stocks, only P/E, P/B and P/D), with a higher percentile indicating a stock trading at a higher multiple. The **Integrated** percentile is calculated as the average of the Growth percentile, Financial Returns percentile and (100% - Multiple percentile).

Financial Returns and Multiple use the Goldman Sachs analyst forecasts at the fiscal year-end at least three quarters in the future. Growth uses inputs for the fiscal year at least seven quarters in the future compared with the year at least three quarters in the future (on a per-share basis for all metrics).

For a more detailed description of how we calculate the GS Factor Profile, please contact your GS representative.

## M&A Rank

Across our global coverage, we examine stocks using an M&A framework, considering both qualitative factors and quantitative factors (which may vary across sectors and regions) to incorporate the potential that certain companies could be acquired. We then assign a M&A rank as a means of scoring companies under our rated coverage from 1 to 3, with 1 representing high (30%-50%) probability of the company becoming an acquisition target, 2 representing medium (15%-30%) probability and 3 representing low (0%-15%) probability. For companies ranked 1 or 2, in line with our standard departmental guidelines we incorporate an M&A component into our target price. M&A rank of 3 is considered immaterial and therefore does not factor into our price target, and may or may not be discussed in research.

## Quantum

Quantum is Goldman Sachs' proprietary database providing access to detailed financial statement histories, forecasts and ratios. It can be used for in-depth analysis of a single company, or to make comparisons between companies in different sectors and markets.

## Disclosures

### Financial Advisory Disclosure

Goldman Sachs and/or one of its affiliates is acting as a financial advisor in connection with an announced strategic matter involving the following company or one of its affiliates: Rivian Automotive Inc

**The rating(s) for Aptiv Plc, Aurora Innovation Inc., ChargePoint Holdings, Flex, Ford Motor Co., Keysight Technologies Inc., Mobileye Global Inc., Rivian Automotive Inc., Sensata Technologies Holding, Symbotic Inc., Tesla Inc. and Vertiv Holdings is/are relative to the other companies in its/their coverage universe:** Amphenol Corp., Aptiv Plc, Aurora Innovation Inc., Belden Inc., BorgWarner Inc., Cerence Inc., ChargePoint Holdings, Flex, Ford Motor Co., General Motors Co., Gentex Corp., Innoviz Technologies, Jabil Circuit Inc., Keysight Technologies Inc., Lear Corp., Luminar Technologies Inc., Magna International Inc., Mobileye Global Inc., QuantumScape Corp., Rivian Automotive Inc., Sensata Technologies Holding, Symbotic Inc., TE Connectivity Ltd., Tesla Inc., Vertiv Holdings, Visteon Corp.

### Company-specific regulatory disclosures

Compendium report: please see disclosures at <https://www.gs.com/research/hedge.html>. Disclosures applicable to the companies included in this compendium can be found in the latest relevant published research

### Distribution of ratings/investment banking relationships

Goldman Sachs Investment Research global Equity coverage universe

	Rating Distribution			Investment Banking Relationships		
	Buy	Hold	Sell	Buy	Hold	Sell
Global	48%	35%	17%	64%	57%	41%

As of July 1, 2024, Goldman Sachs Global Investment Research had investment ratings on 2,925 equity securities. Goldman Sachs assigns stocks as Buys and Sells on various regional Investment Lists; stocks not so assigned are deemed Neutral. Such assignments equate to Buy, Hold and Sell for the purposes of the above disclosure required by the FINRA Rules. See 'Ratings, Coverage universe and related definitions' below. The Investment Banking Relationships chart reflects the percentage of subject companies within each rating category for whom Goldman Sachs has provided investment banking services within the previous twelve months.

### Price target and rating history chart(s)

Compendium report: please see disclosures at <https://www.gs.com/research/hedge.html>. Disclosures applicable to the companies included in this compendium can be found in the latest relevant published research

## Regulatory disclosures

### Disclosures required by United States laws and regulations

See company-specific regulatory disclosures above for any of the following disclosures required as to companies referred to in this report: manager or co-manager in a pending transaction; 1% or other ownership; compensation for certain services; types of client relationships; managed/co-managed public offerings in prior periods; directorships; for equity securities, market making and/or specialist role. Goldman Sachs trades or may trade as a principal in debt securities (or in related derivatives) of issuers discussed in this report.

The following are additional required disclosures: **Ownership and material conflicts of interest:** Goldman Sachs policy prohibits its analysts, professionals reporting to analysts and members of their households from owning securities of any company in the analyst's area of coverage.

**Analyst compensation:** Analysts are paid in part based on the profitability of Goldman Sachs, which includes investment banking revenues. **Analyst as officer or director:** Goldman Sachs policy generally prohibits its analysts, persons reporting to analysts or members of their households from serving as an officer, director or advisor of any company in the analyst's area of coverage. **Non-U.S. Analysts:** Non-U.S. analysts may not be associated persons of Goldman Sachs & Co. LLC and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with subject company, public appearances and trading securities held by the analysts.

**Distribution of ratings:** See the distribution of ratings disclosure above. **Price chart:** See the price chart, with changes of ratings and price targets in prior periods, above, or, if electronic format or if with respect to multiple companies which are the subject of this report, on the Goldman Sachs website at <https://www.gs.com/research/hedge.html>.

### Additional disclosures required under the laws and regulations of jurisdictions other than the United States

The following disclosures are those required by the jurisdiction indicated, except to the extent already made above pursuant to United States laws and regulations.

**Australia:** Goldman Sachs Australia Pty Ltd and its affiliates are not authorised deposit-taking institutions (as that term is defined in the Banking Act 1959 (Cth)) in Australia and do not provide banking services, nor carry on a banking business, in Australia. This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act, unless otherwise agreed by Goldman Sachs. In producing research reports, members of Global Investment Research of Goldman Sachs Australia may attend site visits and other meetings hosted by the companies and other entities which are the subject of its research reports. In some instances the costs of such site visits or meetings may be met in part or in whole by the issuers concerned if Goldman Sachs Australia considers it is appropriate and reasonable in the specific circumstances relating to the site visit or meeting. To the extent that the contents of this document contains any financial product advice, it is general advice only and has been prepared by Goldman Sachs without taking into account a client's objectives, financial situation or needs. A client should, before acting on any such advice, consider the appropriateness of the advice having regard to the client's own objectives, financial situation and needs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests and a copy of Goldman Sachs' Australian Sell-Side Research Independence Policy Statement are available at: <https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html>.

**Brazil:** Disclosure information in relation to CVM Resolution n. 20 is available at <https://www.gs.com/worldwide/brazil/area/gir/index.html>. Where applicable, the Brazil-registered analyst primarily responsible for the content of this research report, as defined in Article 20 of CVM Resolution n. 20, is the first author named at the beginning of this report, unless indicated otherwise at the end of the text. **Canada:** This information is being provided to you for information purposes only and is not, and under no circumstances should be construed as, an advertisement, offering or solicitation by Goldman Sachs & Co. LLC for purchasers of securities in Canada to trade in any Canadian security. Goldman Sachs & Co. LLC is not registered as a dealer in any jurisdiction in Canada under applicable Canadian securities laws and generally is not permitted to trade in Canadian securities and may be prohibited from selling certain securities and products in certain jurisdictions in Canada. If you wish to trade in any Canadian securities or other products in Canada please contact Goldman Sachs Canada Inc., an affiliate of The Goldman Sachs Group Inc., or another registered Canadian dealer. **Hong Kong:** Further information on the securities of covered companies referred to in this research may be obtained on request from Goldman Sachs (Asia) L.L.C. **India:** Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (India) Securities Private Limited, Research Analyst - SEBI Registration Number INH000001493, 951-A, Rational House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India, Corporate Identity Number U74140MH2006FTC160634, Phone +91 22 6616 9000, Fax +91 22 6616 9001. Goldman Sachs may beneficially own 1% or more of the securities (as such term is defined in clause 2 (h) the Indian Securities Contracts (Regulation) Act, 1956) of the subject company or companies referred to in this research report. Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Goldman Sachs (India) Securities Private Limited Investor Grievance E-mail: india-client-support@goldmansachs.com. Compliance Officer: Anil Rajput | Tel: + 91 22 6616 9000 | Email: anil.m.rajput@goldmansachs.com. **Japan:** See below. **Korea:** This research, and any access to it, is intended only for "professional investors" within the meaning of the Financial Services and Capital Markets Act, unless otherwise agreed by Goldman Sachs. Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (Asia) L.L.C., Seoul Branch. **New Zealand:** Goldman Sachs New Zealand Limited and its affiliates are neither "registered banks" nor "deposit takers" (as defined in the Reserve Bank of New Zealand Act 1989) in New Zealand. This research, and any access to it, is intended for "wholesale clients" (as defined in the Financial Advisers Act 2008) unless otherwise agreed by Goldman Sachs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests is available at: <https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html>. **Russia:** Research reports distributed in the Russian Federation are not advertising as defined in the Russian legislation, but are information and analysis not having product promotion as their main purpose and do not provide appraisal within the meaning of the Russian legislation on appraisal activity. Research reports do not constitute a personalized investment recommendation as defined in Russian laws and regulations, are not addressed to a specific client, and are prepared without analyzing the financial circumstances, investment profiles or risk profiles of clients. Goldman Sachs assumes no responsibility for any investment decisions that may be taken by a client or any other person based on this research report. **Singapore:** Goldman Sachs (Singapore) Pte. (Company Number: 198602165W), which is regulated by the Monetary Authority of Singapore, accepts legal responsibility for this research, and should be contacted with respect to any matters arising from, or in connection with, this research. **Taiwan:** This material is for reference only and must not be reprinted without permission. Investors should carefully consider their own investment risk. Investment results are the responsibility of the individual investor. **United Kingdom:** Persons who would be categorized as retail clients in the United Kingdom, as such term is defined in the rules of the Financial Conduct Authority, should read this research in conjunction with prior Goldman Sachs research on the covered companies referred to herein and should refer to the risk warnings that have been sent to them by Goldman Sachs International. A copy of these risks warnings, and a glossary of certain financial terms used in this report, are available from Goldman Sachs International on request.

**European Union and United Kingdom:** Disclosure information in relation to Article 6 (2) of the European Commission Delegated Regulation (EU) (2016/958) supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council (including as that Delegated Regulation is implemented into United Kingdom domestic law and regulation following the United Kingdom's departure from the European Union and the European Economic Area) with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest is available at <https://www.gs.com/disclosures/europeanpolicy.html> which states the European Policy for Managing Conflicts of Interest in Connection with Investment Research.

**Japan:** Goldman Sachs Japan Co., Ltd. is a Financial Instrument Dealer registered with the Kanto Financial Bureau under registration number Kinsho 69, and a member of Japan Securities Dealers Association, Financial Futures Association of Japan Type II Financial Instruments Firms Association, The Investment Trusts Association, Japan, and Japan Investment Advisers Association. Sales and purchase of equities are subject to commission pre-determined with clients plus consumption tax. See company-specific disclosures as to any applicable disclosures required by Japanese stock

exchanges, the Japanese Securities Dealers Association or the Japanese Securities Finance Company.

## Ratings, coverage universe and related definitions

**Buy (B), Neutral (N), Sell (S)** Analysts recommend stocks as Buys or Sells for inclusion on various regional Investment Lists. Being assigned a Buy or Sell on an Investment List is determined by a stock's total return potential relative to its coverage universe. Any stock not assigned as a Buy or a Sell on an Investment List with an active rating (i.e., a stock that is not Rating Suspended, Not Rated, Coverage Suspended or Not Covered), is deemed Neutral. Each region manages Regional Conviction lists, which are selected from Buy rated stocks on the respective region's Investment lists and represent investment recommendations focused on the size of the total return potential and/or the likelihood of the realization of the return across their respective areas of coverage. The addition or removal of stocks from such Conviction lists are managed by the Investment Review Committee or other designated committee in each respective region and do not represent a change in the analysts' investment rating for such stocks.

**Total return potential** represents the upside or downside differential between the current share price and the price target, including all paid or anticipated dividends, expected during the time horizon associated with the price target. Price targets are required for all covered stocks. The total return potential, price target and associated time horizon are stated in each report adding or reiterating an Investment List membership.

**Coverage Universe:** A list of all stocks in each coverage universe is available by primary analyst, stock and coverage universe at <https://www.gs.com/research/hedge.html>.

**Not Rated (NR)**. The investment rating, target price and earnings estimates (where relevant) are not provided or have been suspended pursuant to Goldman Sachs policy when Goldman Sachs is acting in an advisory capacity in a merger or in a strategic transaction involving this company, when there are legal, regulatory or policy constraints due to Goldman Sachs' involvement in a transaction, when the company is an early-stage biotechnology company, and in certain other circumstances. **Rating Suspended (RS)**. Goldman Sachs Research has suspended the investment rating and price target for this stock, because there is not a sufficient fundamental basis for determining an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock and should not be relied upon. **Coverage Suspended (CS)**. Goldman Sachs has suspended coverage of this company. **Not Covered (NC)**. Goldman Sachs does not cover this company. **Not Available or Not Applicable (NA)**. The information is not available for display or is not applicable. **Not Meaningful (NM)**. The information is not meaningful and is therefore excluded.

## Global product; distributing entities

Goldman Sachs Global Investment Research produces and distributes research products for clients of Goldman Sachs on a global basis. Analysts based in Goldman Sachs offices around the world produce research on industries and companies, and research on macroeconomics, currencies, commodities and portfolio strategy. This research is disseminated in Australia by Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897); in Brazil by Goldman Sachs do Brasil Corretora de Títulos e Valores Mobiliários S.A.; Public Communication Channel Goldman Sachs Brazil: 0800 727 5764 and / or contatogoldmanbrasil@gs.com. Available Weekdays (except holidays), from 9am to 6pm. Canal de Comunicação com o Públco Goldman Sachs Brasil: 0800 727 5764 e/ou contatogoldmanbrasil@gs.com. Horário de funcionamento: segunda-feira à sexta-feira (exceto feriados), das 9h às 18h; in Canada by Goldman Sachs & Co. LLC; in Hong Kong by Goldman Sachs (Asia) L.L.C.; in India by Goldman Sachs (India) Securities Private Ltd.; in Japan by Goldman Sachs Japan Co., Ltd.; in the Republic of Korea by Goldman Sachs (Asia) L.L.C., Seoul Branch; in New Zealand by Goldman Sachs New Zealand Limited; in Russia by OOO Goldman Sachs; in Singapore by Goldman Sachs (Singapore) Pte. (Company Number: 198602165W); and in the United States of America by Goldman Sachs & Co. LLC. Goldman Sachs International has approved this research in connection with its distribution in the United Kingdom.

Goldman Sachs International ("GSI"), authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA, has approved this research in connection with its distribution in the United Kingdom.

**European Economic Area:** GSI, authorised by the PRA and regulated by the FCA and the PRA, disseminates research in the following jurisdictions within the European Economic Area: the Grand Duchy of Luxembourg, Italy, the Kingdom of Belgium, the Kingdom of Denmark, the Kingdom of Norway, the Republic of Finland and the Republic of Ireland; GSI - Succursale de Paris (Paris branch) which is authorised by the French Autorité de contrôle prudentiel et de resolution ("ACPR") and regulated by the Autorité de contrôle prudentiel et de resolution and the Autorité des marchés financiers ("AMF") disseminates research in France; GSI - Sucursal en España (Madrid branch) authorized in Spain by the Comisión Nacional del Mercado de Valores disseminates research in the Kingdom of Spain; GSI - Sweden Bankfilial (Stockholm branch) is authorized by the SFSA as a "third country branch" in accordance with Chapter 4, Section 4 of the Swedish Securities and Market Act (Sw. lag (2007:528) om värdepappersmarknaden) disseminates research in the Kingdom of Sweden; Goldman Sachs Bank Europe SE ("GSBE") is a credit institution incorporated in Germany and, within the Single Supervisory Mechanism, subject to direct prudential supervision by the European Central Bank and in other respects supervised by German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank and disseminates research in the Federal Republic of Germany and those jurisdictions within the European Economic Area where GSI is not authorised to disseminate research and additionally, GSBE, Copenhagen Branch filial of GSBE, Tyskland, supervised by the Danish Financial Authority disseminates research in the Kingdom of Denmark; GSBE - Sucursal en España (Madrid branch) subject (to a limited extent) to local supervision by the Bank of Spain disseminates research in the Kingdom of Spain; GSBE - Succursale Italia (Milan branch) to the relevant applicable extent, subject to local supervision by the Bank of Italy (Banca d'Italia) and the Italian Companies and Exchange Commission (Commissione Nazionale per le Società e la Borsa "Consob") disseminates research in Italy; GSBE - Succursale de Paris (Paris branch), supervised by the AMF and by the ACPR disseminates research in France; and GSBE - Sweden Bankfilial (Stockholm branch), to a limited extent, subject to local supervision by the Swedish Financial Supervisory Authority (Finansinpektionen) disseminates research in the Kingdom of Sweden.

## General disclosures

This research is for our clients only. Other than disclosures relating to Goldman Sachs, this research is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. The information, opinions, estimates and forecasts contained herein are as of the date hereof and are subject to change without prior notification. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Other than certain industry reports published on a periodic basis, the large majority of reports are published at irregular intervals as appropriate in the analyst's judgment.

Goldman Sachs conducts a global full-service, integrated investment banking, investment management, and brokerage business. We have investment banking and other business relationships with a substantial percentage of the companies covered by Global Investment Research. Goldman Sachs & Co. LLC, the United States broker dealer, is a member of SIPC (<https://www.sipc.org>).

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and principal trading desks that reflect opinions that are contrary to the opinions expressed in this research. Our asset management area, principal trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this research.

The analysts named in this report may have from time to time discussed with our clients, including Goldman Sachs salespersons and traders, or may discuss in this report, trading strategies that reference catalysts or events that may have a near-term impact on the market price of the equity securities discussed in this report, which impact may be directionally counter to the analyst's published price target expectations for such stocks. Any such trading strategies are distinct from and do not affect the analyst's fundamental equity rating for such stocks, which rating reflects a stock's return

potential relative to its coverage universe as described herein.

We and our affiliates, officers, directors, and employees will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives, if any, referred to in this research, unless otherwise prohibited by regulation or Goldman Sachs policy.

The views attributed to third party presenters at Goldman Sachs arranged conferences, including individuals from other parts of Goldman Sachs, do not necessarily reflect those of Global Investment Research and are not an official view of Goldman Sachs.

Any third party referenced herein, including any salespeople, traders and other professionals or members of their household, may have positions in the products mentioned that are inconsistent with the views expressed by analysts named in this report.

This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of investments referred to in this research and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments.

Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Investors should review current options and futures disclosure documents which are available from Goldman Sachs sales representatives or at <https://www.theocc.com/about/publications/character-risks.jsp> and

[https://www.fiadocumentation.org/fia/regulatory-disclosures\\_1/fia-uniform-futures-and-options-on-futures-risk-disclosures-booklet-pdf-version-2018](https://www.fiadocumentation.org/fia/regulatory-disclosures_1/fia-uniform-futures-and-options-on-futures-risk-disclosures-booklet-pdf-version-2018).

Transaction costs may be significant in option strategies calling for multiple purchase and sales of options such as spreads. Supporting documentation will be supplied upon request.

**Differing Levels of Service provided by Global Investment Research:** The level and types of services provided to you by Goldman Sachs Global Investment Research may vary as compared to that provided to internal and other external clients of GS, depending on various factors including your individual preferences as to the frequency and manner of receiving communication, your risk profile and investment focus and perspective (e.g., marketwide, sector specific, long term, short term), the size and scope of your overall client relationship with GS, and legal and regulatory constraints. As an example, certain clients may request to receive notifications when research on specific securities is published, and certain clients may request that specific data underlying analysts' fundamental analysis available on our internal client websites be delivered to them electronically through data feeds or otherwise. No change to an analyst's fundamental research views (e.g., ratings, price targets, or material changes to earnings estimates for equity securities), will be communicated to any client prior to inclusion of such information in a research report broadly disseminated through electronic publication to our internal client websites or through other means, as necessary, to all clients who are entitled to receive such reports.

All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client websites. Not all research content is redistributed to our clients or available to third-party aggregators, nor is Goldman Sachs responsible for the redistribution of our research by third party aggregators. For research, models or other data related to one or more securities, markets or asset classes (including related services) that may be available to you, please contact your GS representative or go to <https://research.gs.com>.

Disclosure information is also available at <https://www.gs.com/research/hedge.html> or from Research Compliance, 200 West Street, New York, NY 10282.

#### © 2024 Goldman Sachs.

You are permitted to store, display, analyze, modify, reformat, and print the information made available to you via this service only for your own use. You may not resell or reverse engineer this information to calculate or develop any index for disclosure and/or marketing or create any other derivative works or commercial product(s), data or offering(s) without the express written consent of Goldman Sachs. You are not permitted to publish, transmit, or otherwise reproduce this information, in whole or in part, in any format to any third party without the express written consent of Goldman Sachs. This foregoing restriction includes, without limitation, using, extracting, downloading or retrieving this information, in whole or in part, to train or finetune a machine learning or artificial intelligence system, or to provide or reproduce this information, in whole or in part, as a prompt or input to any such system.