China Consumer

Pulse check: Signs of bottoming out in 4Q24 but outlook still prudent; policy/tariff to be watched

China Consumer Connections Pulse Check

Explore >

While we are yet to see meaningful rebound and volatility remains in the recovery path, there has been signs of bottoming out since 4Q24 with sequential growth improvement (average 14% vs. 7% in 3Q24 for reported sales, with easier base) and post CNY holiday consumption pull back has been better than feared. Post intensified price competition in past two years, from 2H24, we saw **improving pricing trend** in some categories (e.g. restaurants, dairy, instant noodle). **Margin was a mixed bag** in 4Q/2H24, with positive surprises from favorable raw material price/cost control, while investment in marketing/business expansion led to short term margin pressure for some companies.

Looking into 2025E, guidance is generally prudent; but with government's commitment in boosting consumption, companies sound more constructive in the long term and expect gradual recovery ahead, and some companies are planning to step up investment. We expect the growth in 2025E to be back-end loaded for most of the categories considering base effect (exceptions include home appliances with trade-in policy kicking in from 2H24); however, in 1Q, we also note companies/categories that are able to deliver solid performance despite the high base, such as Anta, Guming, Giant, Laopu, white goods. **Policy impact remains key to watch:** 1) US tariff is among the markets' key concerns given the margin/end market demand could be negatively impacted, especially for companies with meaningful US market exposure (e.g. apparel/footwear OEMs). 2) in domestic market, our macro team sees downside risk to GDP forecast if trade tensions continue to escalate and global growth weakens further. Our macro team expects fiscal policy easing as a major policy support to offset growth headwinds from US tariffs. The roll-out of direct consumption support, as well as policies on income/property market etc. that are relevant to wealth effect will be key to watch from consumption side.

Within our consumer coverage, our **most preferred sub-sectors are** sports brands,

Michelle Cheng
+852-2978-6631 |
michelle.cheng@gs.com
Goldman Sachs (Asia) L.L.C.

Leaf Liu
+852-3966-4169 | leaf.liu@gs.com
Goldman Sachs (Asia) L.L.C.

Nicolas Yi
+86(21)2401-8922 |
nicolas.yi@goldmansachs.cn
Goldman Sachs (China) Securities Company Limited

Cathy Chen, CFA
+852-2978-6621 | kaiqi.chen@gs.com
Goldman Sachs (Asia) L.L.C.

Valerie Zhou
+852-2978-0820 | valerie.zhou@gs.com
Goldman Sachs (Asia) L.L.C.

Xinyu Ruan
+852-2978-7347 | xinyu.ruan@gs.com
Goldman Sachs (Asia) L.L.C.

Carol Chen
+852-2978-7999 | carol.chen@gs.com
Goldman Sachs (Asia) L.L.C.

Molly Dai
+852-3966-4000 | molly.dai@gs.com
Goldman Sachs (Asia) L.L.C.

Christina Liu
+852-2978-6983 | christina.liu@gs.com
Goldman Sachs (Asia) L.L.C.

Mia Gu
+852-2978-6973 | mia.gu@gs.com
Goldman Sachs (Asia) L.L.C.

Cecilia Tang
+86(21)2401-8738 |
cecilia.tang@goldmansachs.cn
Goldman Sachs (China) Securities Company Limited

Hongda Zhong
+852-2978-2300 |
hongda.zhong@gs.com
Goldman Sachs (Asia) L.L.C.

Julia Mu
+852-2978-1219 | julia.mu@gs.com
Goldman Sachs (Asia) L.L.C.

Table of Contents

diversified retailer, dairy, beverage and restaurants (upgrade from neutral). Our **least preferred sectors** remain apparel/footwear OEM, furniture, projectors, discretionary small kitchen appliances, jewelry and non-super-premium spirits. At stock level, we still prefer the idiosyncratic opportunities for sectors/companies that can explore the white space.

Stock preference (Buy names): Anta (on CL), Moutai, Midea, Eastroc, MIXUE, YUMC, Laopu, Tsingtao H-share, Mengniu, Tingyi, Giant Biogene, Guming, China Resources Beverage, Robam, China Pet Foods

Please see sector wrap-up reports for additional sector-specific details:

China Consumer Durables: White goods 2024 wrap: We expect a resilient 1Q25 amid rising overseas uncertainty; Buy Midea

China Sportswear: 2H24 wrap: Prudent 25 guidance; eyes on expense, niche brands' opportunities and overseas

Reports on China's consumption policy and US tariff analysis

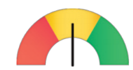
China Consumer: Pulse Check: Government's commitment to boost consumption supports sentiment; execution remains key

Asia Pacific Consumer Cyclicals: Updating sensitivity analysis after the announcement of reciprocal tariffs

China Consumer Durables: Refreshing tariff analysis and updating estimates after US announces reciprocal tariff

China Consumer Staples: Pet food: Updated overseas scenario analysis on reciprocal tariffs

Exhibit 1: Summary of category momentum

	Sports brands	OEM	Diversified retailers	Catering	Cosmetics	Jewelry	Traditional Appliances	Emerging Appliances	Beer
2025 revenue yoy	9%	9%	53%	12%	22%	3%	8%	15%	3%
2025 NP yoy	11%	7%	61%	14%	28%	6%	8%	17%	12%
YTD sector share price chg. (as of Apr 7)	-5%	-26%	33%	28%	17%	7%	-10%	-9%	1%
4Q24 results snapshot									
Overall beat/miss/in line									
Revenue growth (yoy)	8%	11%	119%	0%	30%	-14%	13%	36%	-3%
OPM trend (yoy)	↓	Mixed	↓	↓	↑	↑	→	→	↑
4Q24 vs. Market expectation:									
Sales	→	Mixed	↑	→	↓	↓	→	→	→
Margin	Mixed	↓	→	↑	↓	↑	↑	↓	↓
ASP / promotion / discount	Discount trended weaker in 4Q24, due to brands' intention to clear/control inventory and prolonged online shopping holidays	ASP flat/decline	Pricng remains solid supported by IP popularity	More rational pricing competition. More disciplined promotion from Haidilao/Jiumaojiu since 2H24; KFC and some FMD brands hiked price in late 2024/early 2025	Relatively stable discount during Double 11 vs. last year Double 11/618, while the duration was longer than before	ASP increased due to gold price surge	Healthy ASP/promotion activities	Healthy ASP/promotion in RVC; ASP in projectors and small kitchen appliances still under pressure	(-) ASP under pressure of weak on-trade channel and more promotions during slack season
Inventory	Inventory level in general are in a healthy shape (except Nike) as brands/retailers have been disciplined in shipment/purchase and actively monitoring inventory health						Channel inventory sequentially lower		Destocking, back to normal and yoy healthier level
Monthly trend	Brands experienced strong growth in Oct driven by the Golden week and early Double 11, with healthy growth in Nov and Dec as well	Sales recovery decelerated due to normalizing base; seletctive players experienced shipment delay in Nov and Dec	Pop Mart expects to see >100% yoy sales growth in 1Q25; Miniso China SSSG improved	Better-than-feared post CNY pull back	Oct-Nov combined retail sales came negative on less effective Double 11 stimulation yet Dec turned positive and accelerated on earlier CNY	Narrowing yoy SSS decline into Dec vs. Oct-Nov on easier base and earlier CNY while net store closures accelerated	Healthy growth momentum YTD	Continued robust growth for RVC YTD; boost to other small appliances remain limited	Lower base in 4Q
Outlook									
Guidance	Brands and retailers generally call for prudent topline growth for 2025	Selective players's 25 guidance are prudent due to tariff hikes	Pop Mart looks for 50% yoy revenue growth; Miniso/Shanghai M&G look for growth acceleration	Prudent expansion plan for restaurant players. But Guming targets store expansion re-acceleration	Maintained	Maintained FY3/25 guidance; Expect store closure to continue; SSSG remains a swing factor	Similar as last year		Margin largely maintained for 2024; look for sequenetial recovery in 2025
Demand outlook	Companies' outlook comments reflect the concerns on demand uncertainty/sustainability as well as intensified competition in branding and newness this year	OEMs 1H growth are fine, while order book visibility in 2H remain vague due to tariff hikes	Remain constructive on IP demand	Prudent expansion plan for restaurant players. But Guming targets store expansion re-acceleration	Overall still soft demand with initial signs of bottoming as 2025 YTD online GMV accelerated yet divergent trends with select local leaders outperforming	Expect some easing if gold price becomes more stable	Healthy domestic growth supported by trade-in program yet with base pressure esp. in 4Q25; overseas share gain to drive growth yet with rising demand uncertainties on tariff disruption	Solid growth for structurally growing categories; recovery of most small appliances is largely dependent on macro conditions	Look for continued solid in-home growth, while on-trade consumption lags
Margin outlook	Brands tend to increase investments to drive brand momentum, which may temper the potential margin recovery post Olympic year (2024)	Guidance on margin trend varies across players. But given OEMs may absorb part of the tariff burden, we expect incremental downside risks to margin from here	Operating leverage/cost control especially in overseas market	Raw material price remained favorable, cost control efforts	Margin pressure remained but likely will stablize as brands become more disciplined on promotions and prioritize ROI	Margin expansion with gold price uptrend support and the increase of revenue mix of fixed-price products, while partially offset by sales deleveraging	Consistant guidance for mild margin expansion; product mix improvements and efficiency gains to drive margin expansion while tariff costs emerge as a downside risk	Stable margins in small appliances; continued marketing/branding investment in RVC	(+) Margin expansion from cost tailwinds and disciplined investments (-) Operating deleveraging
Catalysts	1Q trading update from around mid of April, Labor day consumption trend, 618 shopping festival	Tariff policy renegotiation, key brand's results, product innovation	IP/new product series launch	Holiday spending	618 shopping festival	Labor's day holiday; FY3/25 earnings in mid-Jun for HK jewelers	Trade-in policy development, weekly/monthly sales data, 618	New product launches, local trade-in policy development, 618	Consumption stimulus; recovery in catering/ nightlife channels; new product launches

Revenue/NP/OP yoy growth are based on market cap weighted average of GS covered companies.

Source: Company data, Visible Alpha Consensus Data, Goldman Sachs Global Investment Research

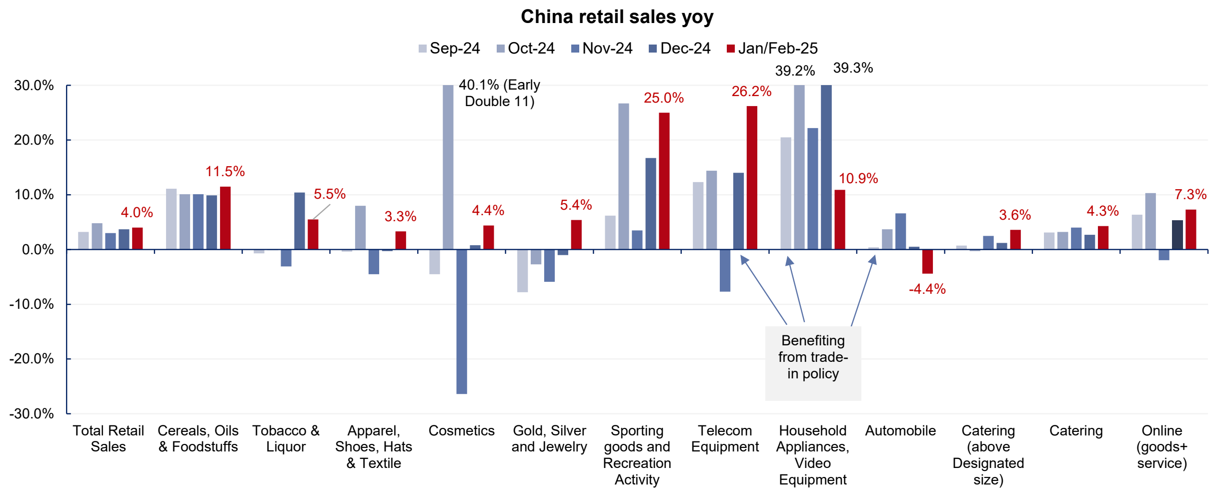
Key findings from the 4Q results

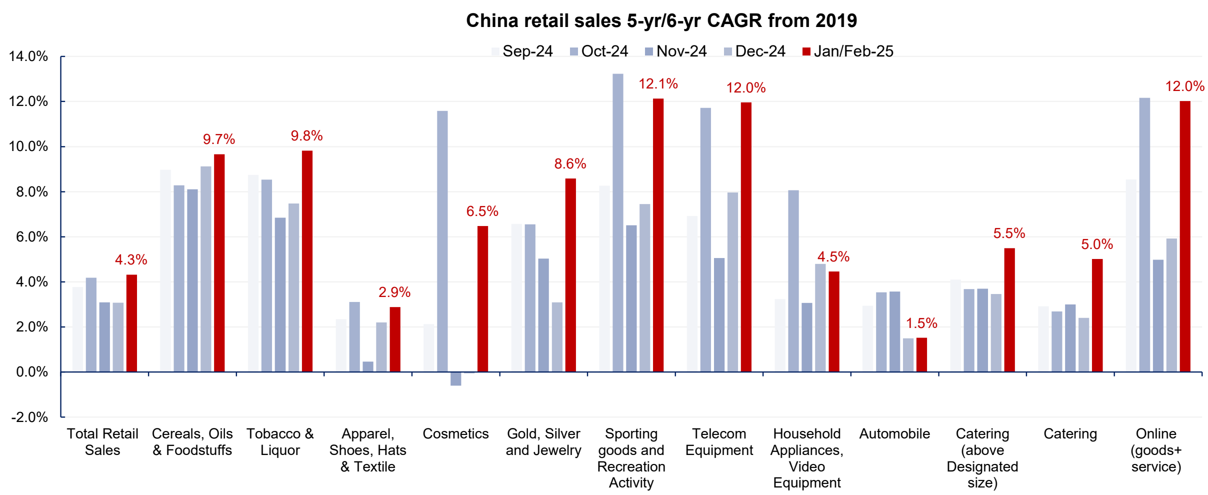
Sales improvement on easier base with mixed margin trends

While we are yet to see meaningful rebound in consumption so far, we have seen signs of bottoming out from 4Q24 with gradual policy support kicking in. NBS retail sales yoy growth in Jan-Feb improved to 4% yoy (from 3.0%/3.7% yoy in Nov/Dec); at company level, we also see improving growth lapping an easier base and with earlier CNY, and post CNY holiday pull back has been better than feared. By channel, online continued to outperform in 4Q24 with prolonged online promotion and was a headwind for discount for some categories (sportswear).

Margin was a mixed bag in 4Q. On the positive side, favorable commodity price and companies' efforts on cost control brought better-than-expected margin performance for some companies. In restaurant, companies generally reported margin beat (e.g. Haidilao on GPM with lower commodity price, along with supply chain efficiency; YUMC/Guming on restaurant margin/OPM supported by operational efficiency). Sportswear names saw the reverse of GPM trend into 2H24 due to discount/channel mix, but OPEX generally turned out better-than-feared. Select staples name (e.g. Mengniu, Tingyi) delivered core OPM beat supported by GPM expansion and/or OPEX saving. On the flip side, investment in marketing/business expansion led to margin miss for some names, such as Miniso (DTC investment), Roborock (proactive branding/marketing investment and new product/channel expansion). For cosmetics, sales vs. margin dilemma continued in 4Q given intensified competition yet stagnant demand, i.e. Giant delivered a solid sales beat yet margin missed slightly on step up brand and new product investment while MGP (Maogeping) sales missed though margin came in line; LGHH China sales growth came at +DD% as expected yet turning OP loss that came below expectation.

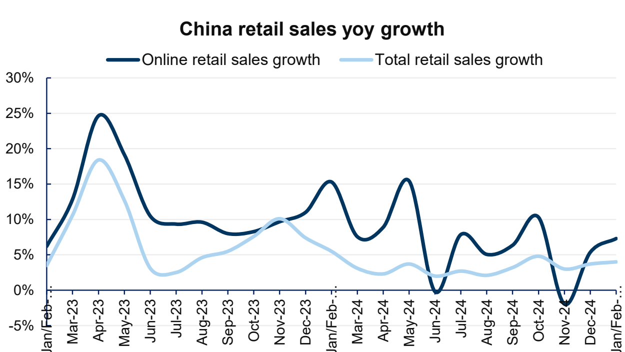
Exhibit 2: Retail sales growth in Jan-Feb sequentially improved





Source: NBS

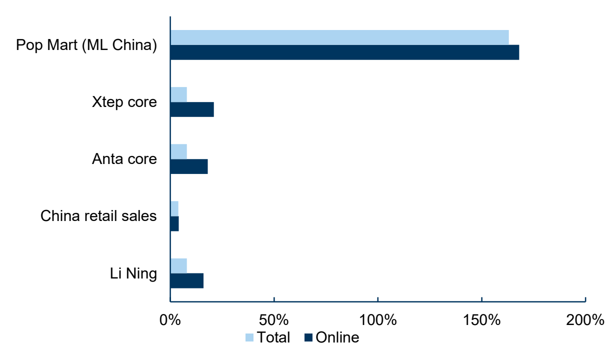
Exhibit 3: Online retail sales have been outpacing total retail sales in recent months



Source: NBS

Exhibit 4: At the company level, we also see online generally outperforming vs. offline in 4Q24

Selective companies' online vs overall growth



Source: Company data, Data compiled by Goldman Sachs Global Investment Research, NBS

2025 guidance still prudent, but expect gradual support from policy

Companies generally have a prudent outlook into 2025E, with consumption remaining fluid and it would take time for recovery with policy kicking in gradually. That being said, with government's commitment to boost consumption (see our take on consumption policy here), companies are more constructive in the long term and look for gradual demand recovery. By category, **restaurant names generally target disciplined expansion** (Haidilao targets MSD% gross store opening, Jiumaojiu does not set specific target on store opening, YUMC looks for MSD% system sales growth); **sportswear** names including Anta's guidance (HSD% growth for Anta core, MSD% yoy for Fila, other brands >30% yoy), Li Ning (flat sales), Xtep (>10% yoy NP growth on positive sales growth) and Pou Sheng (flat sales growth) are prudent overall; **white goods** players maintained similar growth outlook last year (5-10% revenue growth and faster profits growth); **large staples** companies' guidance remained prudent awaiting more color on macro/consumption trend. However, for companies with idiosyncratic growth opportunities (e.g. "new consumer" names), the growth guidance remained strong.

Pricing: Discount control; mix and menu adjustment from selective players

We started to see companies talking about promotion control from 2H24, and in recent months we see stabilized/improving pricing trend in multiple categories along with price hike activities from some leading players. In **restaurant**, Haidilao/Jiumaojiu continued to execute disciplined promotion strategy, KFC hiked price by 2% on average in Dec 24; in **F&B**, Tingyi hiked instant noodle/large-pack beverage price from 2H24; **Dairy** sees potentially better pricing/less discount vs. 2024 with healthy channel inventory level post destocking; **home appliance** ASP has been supported by product mix improvement via the trade-in program. In **sportswear**, we see concerns over discount/promotion since 3Q24 have been somewhat eased as YTD offline discount trend looks healthy/stabilized expect for Nike, but we expect the trend to improve in the coming months with inventory level normalizing.

However, we also see companies/brands that continue to bring more value-for-money products for consumers, such as Pizza Hut which introduced new menu in Dec that has lower price points supported by its strong supply chain and cost control capability; product/channel mix also impacts pricing trend, e.g. higher mix of online channel will bring higher discount.

Exhibit 5: We see stabilized pricing trend, and selective categories have seen ASP improvement/price hike actions

Sector	Metrics	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25 to date	1Q25 momentum	2025E momentum
Sportswear	Discount yoy change (positive number -> discount improvement)	-2.2pp	0.6pp	0.4pp	0.4pp	0.9pp	1.5pp	-0.4pp	-1.5pp	Still promotional but trend likely improve in the coming months with inventory level normalizing	→	→
Restaurant	ASP yoy (market cap weighted average of YUMC, Haidilao, Jiumaojiu, Nayuki)	-1%	-5%	-7%	-10%	-6%	-7%	-2%	-2%	Relatively disciplined on promotion	→	↑
Cosmetics	Skincare+Color makeup ASP on Tmall+Taobao	96	107	80	110	81	93	77	109	Relatively disciplined on promotion	↓	↓
Pet care	Pet food ASP yoy on Tmall+Taobao	2%	-6%	-7%	-15%	-20%	-19%	-15%	-6%	12%	↑	↑
Spirits	53% v/v Feitian Moutai wholesale price (original case)	2,953	2,930	2,977	2,948	2,950	2,708	2,496	2,286	Wholesale price stabilizing	→	→
Beer	ASP yoy (market cap weighted average of CRB, BUD APAC, Tsingtao Brewery, Chongqing Brewery)	4%	6%	6%	6%	3%	-1%	-1%	0%	Focus on in-home channel mix upgrades	→	↑

Cosmetics ASP qoq downtrend could be partly attributable to promotion season impact (i.e. Double 11 in 4Q)

Source: AVC, Moojing, Company data, Daily Spirits Price, Goldman Sachs Global Investment Research

Selective companies stepping up their investments

One of the surprises we had during this earnings season is that some companies talked more about increasing investments, compared to cautious spending in 2024 in face of soft demand. Li Ning plans to increase A&P investments in promoting core categories and flagship sporting events; Mengniu looks for mildly higher SG&A ratio yoy lapping a very low base with focus on market share gains with re-consolidation expectation; in cosmetics and snacks industry, players are investing into growing channel more to cultivate star products or enhancing brand.

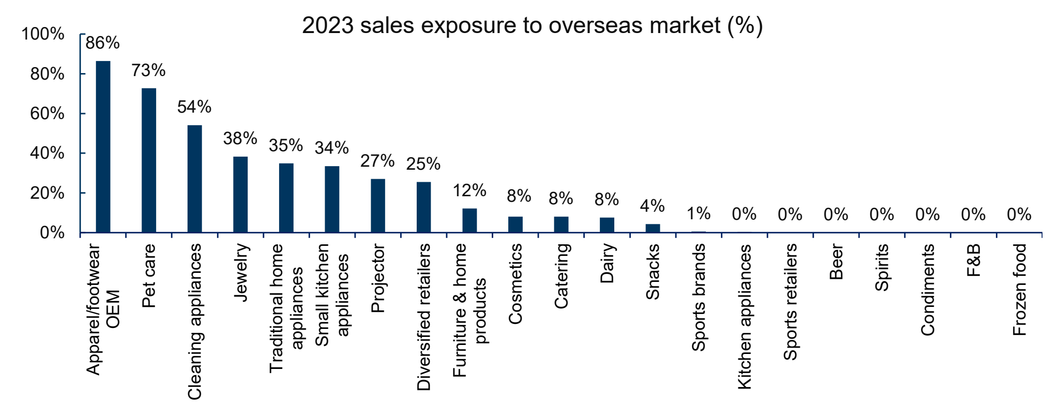
Overseas growth remains strong in 4Q, but more tariff-related concerns ahead

In 2024, overseas was a bright spot for selective consumer categories, including footwear/apparel OEMs, white goods, IP retailers and pet care. While the outperformance from overseas market continued in 4Q for majority of companies that reported, into 2025, we see more concerns amid the US tariff uncertainties with the scope and magnitude of tariff from the "reciprocal" tariff plan beyond market expectation, which could be a **headwind to margin if companies need to share the impact, and also negatively impact the demand side.** Our US consumer team recently lowered 2025E DCF outlook, with tariff/inflation uncertainties and slowdown in recent consumer trends; and US macro team revised up recession probability from 35% to 45%. **OEM** companies like Yue Yuen commented that the order visibility in 2H25 is lower given the demand uncertainties; and while the exposure of China exporting to the US has been limited for OEM names, the tariff in Southeast Asia (the major production base for US exports) could bring more meaningful impact. For **consumer durables**, 3 leading white goods companies (Midea, Haier, Hisense First Takes) saw organic revenue growth accelerated to HSD-DD% in 4Q24 on the back of a domestic improvement supported by trade-in stimulus together with robust export growth. **While companies still commented resilient overseas orders near-term, we see uncertainty from tariff impacts especially in 2H25**. Comparatively, white goods companies are more constructive on growth driven by market share gain in EM. On the bright side, companies with white space penetration opportunities (e.g. Pop Mart, Miniso) could be more resilient.

Exhibit 6: Apparel/footwear OEM and home appliances have the highest exposure to the US market

Source: Company data

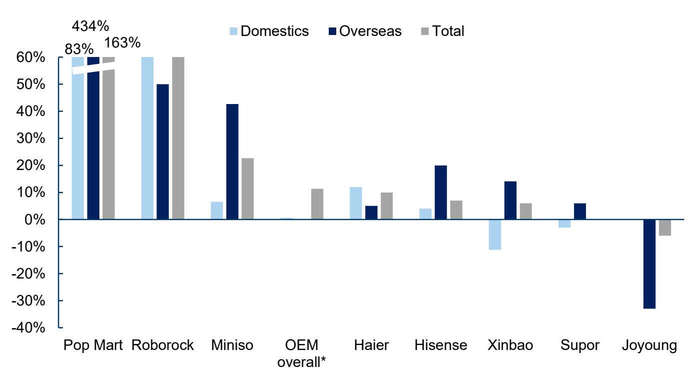
Exhibit 7: Apparel/footwear OEM, pet care and cleaning appliances have the highest exposure to the overseas markets (incl. HK/Macau)



Source: Company data

Exhibit 8: For appliances, domestic sales were benefited by trade-in; while for other companies, overseas growth generally outperformed vs. domestic growth

Selective companies' domestics/overseas vs overall growth (3Q24)



For OEM overall, domestics represents overall apparel retail sales in China; Pop Mart 4Q growth is calculated by 2x2H24 growth - 3Q24 growth; total represents mkt cap weighted sector growth avg

Source: Company data, Goldman Sachs Global Investment Research

Leading local brands continue to outperform MNC

In **sportswear**, local brands outperformed large MNCs if looked at average level, yet we continue to see meaningful performance divergence depends on product cycle. Anta brand/Li Ning/Fila/Xtep all registered +HSD retail sales growth in 4Q24 vs. Pou Sheng sales -3% yoy and Topsports -MSD% yoy (Nov-ended quarter), as well as Nike (Nov-ended)/adidas reported cFX revenue growth at -11%/+16%. In **cosmetics**, local players in general continue to outperform MNCs with L'Oreal/Estee Lauder/Shiseido experiencing SD% yoy decline per our online tracker, and Kose/Amore seeing significant decline at 30%+yoy decline. Divergence among local brands continued with Giant/KANs/MAOGEPING growing at 50-70% yoy and Proya/Shanghai Jahwa experienced c.20% yoy growth while Botanee/Bloomage lagged with yoy sales decline.

Exhibit 9: Local brands performed generally better vs. their 2019 levels than MNC brands; but individual brands' performance have diverged further

Local vs. MNC quarterly sales growth

	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Sportswear																
Growth - yoy																
MNC	42%	-4%	-7%	-24%	-22%	-28%	-20%	-22%	-4%	21%	9%	23%	2%	2%	-2%	1%
Local	66%	49%	19%	20%	23%	-1%	14%	-10%	9%	15%	10%	25%	6%	5%	1%	7%
Growth/CAGR since 2019																
MNC	6%	5%	4%	1%	-2%	-5%	-3%	-5%	-2%	0%	0%	0%	-2%	0%	-1%	0%
Local	22%	25%	19%	21%	22%	18%	17%	13%	19%	17%	16%	15%	17%	15%	13%	14%
Cosmetics																
Growth - yoy																
MNC	42%	24%	4%	1%	-11%	-31%	-17%	-17%	-11%	12%	-14%	-27%	-2%	-13%	-8%	1%
Local	62%	45%	33%	41%	40%	23%	18%	16%	19%	28%	12%	13%	27%	16%	15%	18%
Growth/CAGR since 2019																
MNC	20%	23%	14%	23%	11%	6%	5%	11%	7%	7%	1%	2%	5%	4%	-1%	2%
Local	27%	33%	31%	38%	30%	31%	28%	32%	28%	30%	25%	28%	28%	28%	23%	26%
Major White Goods																
Growth - yoy																
MNC	31%	9%	-13%	-7%	-18%	16%	3%	-18%	-8%	-12%	-14%	5%	-3%	10%	6%	6%
Local	55%	21%	7%	19%	15%	5%	6%	-8%	6%	11%	9%	12%	8%	0%	-8%	8%
Growth/CAGR since 2019																
MNC	2%	-7%	-2%	-2%	-3%	-1%	-1%	-6%	-4%	-4%	-3%	-4%	-4%	-2%	-2%	-3%
Local	6%	12%	11%	15%	8%	10%	10%	9%	8%	10%	10%	9%	8%	9%	6%	9%

Source: Company data, Data compiled by Goldman Sachs Global Investment Research

What surprised us the most in 4Q24?

Market expectation was relatively low for 4Q24 considering the remaining fluid consumption. In general, **positive surprise continued to come from margins with favorable raw material cost and some companies' cost control efforts; and further shareholder return increase** from select companies. While on the negative side, **domestic offline sales pressure** continued to be seen, and some companies missed on margin with more investment in marketing. More specifically:

Positive surprises: 1) Solid margin beat from companies including YUMC, Haidilao, Mengniu, Tingyi, Midea, Hisense; 2) "new consumer" names including Laopu, Pop Mart delivered strong performance in 2H24 and 2025 outlook continues to be constructive; 3) increased shareholder return from Midea, Shanghai M&G; 4) Shenzhou solid beat with stronger-than-expected sales in 2H; 5) Giant solid beat with stronger-than-expected sales in 2H and more bullish LT outlook.

Negative surprises: 1) Offline traffic continued to see pressure in 4Q24. Miniso's China SSSG was below earlier expectations; Shanghai M&G's Jiumu average sales per store saw DD decline and turned to loss in 2H24; 2) Higher-than-expected investment in marketing/business expansion led to margin miss, e.g. Miniso had DTC investment;

Roborock margin missed with proactive branding/marketing investment.

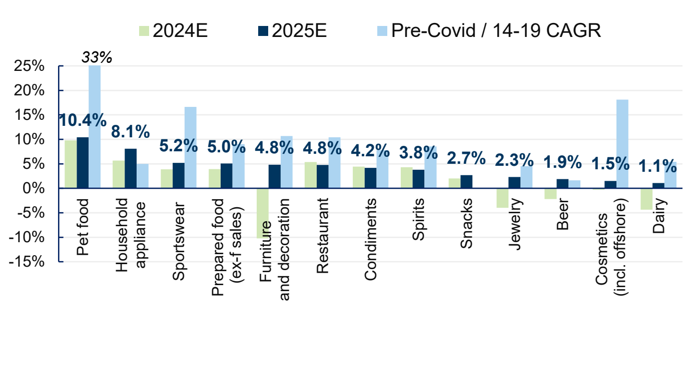
What to expect into 1H25 vs earnings revision cycles

We expect the growth for most of the categories to be back-end loaded considering the base; while there's also exception such as white goods which was benefited by trade-in policy in 2H24. YTD, the earnings forecast for 2025E remained largely stable vs. continuous downward revision in 2024 for most of the categories. Into 1Q25/1H25, **while we do not expect a meaningful rebound and some companies would face base pressure, we saw signs of bottoming out from 4Q24 and YTD demand trend has been on track** with post CNY holiday pull back smaller than feared. Margin expansion story would continue for select companies who enjoy favorable raw material cost or have been making efforts in cost control; though some companies are stepping up investments. That being said, the potential tariff impact needs to be watched.

By category, **appliance** companies generally have a positive tone for 1Q growth thanks to trade-in policy support and solid overseas sales growth (more details in tracker). For **restaurant names**, we expect companies to generally see SSSG decline in 1Q (YUMC, Jiumaojiu, Haidilao) given the relatively higher base but the magnitude is expected to narrow from 4Q24, and we note some freshly-made drink names are delivering solid performance (e.g. Guming had HSD% SSSG in 1Q). For **sportswear**, while base is relatively higher in 1Q, 2M25 sales momentum has been solid (though we heard mixed comments from companies on Mar), and offline discount level looks healthy (except Nike which has still been clearing channel inventory). Growth outlooks on staples are a bit mixed for 1Q25 with phasing of shipment and different base comp, but likely better than feared considering the quite high base from 2024 LNY. Companies with idiosyncratic growth opportunities, including Pop Mart, Laopu, Guming, Giant have been on track to deliver solid growth in 1Q.

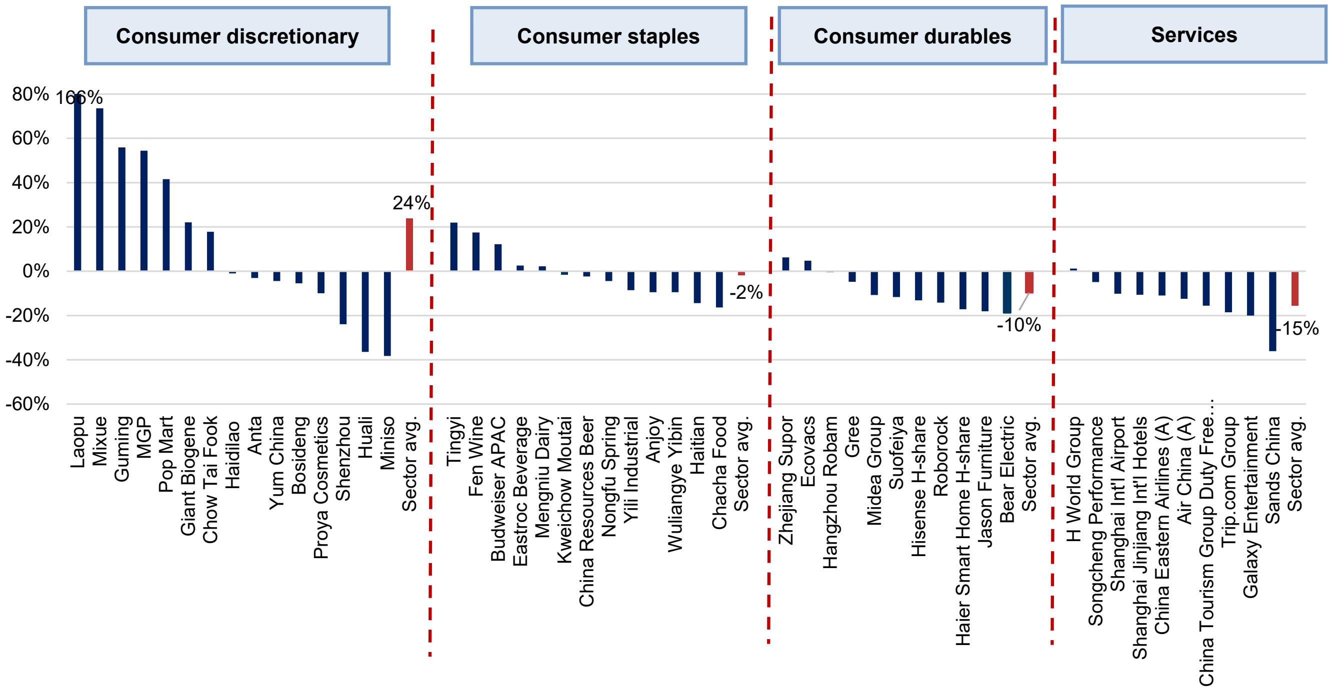
Exhibit 10: We expect pet food and household appliance to lead the growth recovery in 2025E

Consumption growth breakdown by category



Source: Goldman Sachs Global Investment Research, Euromonitor

Exhibit 11: YTD share price performance: Consumer discretionary led the growth while consumer durables underperformed within consumer goods



As of Apr 7

Source: Datastream

Exhibit 12: Diversified retailers, Emerging appliances and Cosmetics delivered highest yoy growth in 4Q24

GS Consumer coverage forecasts - quarterly yoy growth

Sector	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25E	2Q25E	3Q25E	4Q25E
Sports brands	15.0%	-3.0%	11.1%	-9.8%	6.2%	15.5%	10.3%	28.0%	12.4%	7.2%	3.0%	7.9%	5.2%	5.1%	6.5%	7.0%
Sports retailer	-18.8%	-27.5%	-3.0%	-18.3%	-9.7%	20.5%	-1.9%	12.0%	-0.5%	-5.7%	-12.7%	-4.8%	-2.8%	-0.7%	5.0%	8.0%
OEM	16.7%	21.9%	33.4%	6.0%	-15.9%	-12.5%	-10.4%	3.3%	16.3%	13.7%	15.7%	11.3%	9.6%	7.9%	5.6%	7.5%
Catering	-6.8%	-14.7%	-1.0%	-6.3%	20.9%	29.3%	25.4%	29.2%	9.3%	7.6%	-0.1%	0.0%	3.5%	3.4%	6.6%	6.6%
Prepared food	15.1%	23.6%	20.4%	20.5%	19.5%	15.1%	9.2%	-2.8%	6.7%	3.9%	10.9%	7.2%	8.4%	11.2%	8.1%	10.3%
Diversified retailers	41.2%	-1.4%	-0.3%	-15.7%	12.7%	37.3%	33.8%	62.0%	59.6%	81.6%	94.3%	119.3%	23.3%	25.9%	52.3%	53.5%
Jewelry	27.3%	5.7%	19.8%	-13.4%	21.0%	25.4%	4.9%	36.7%	12.0%	-16.8%	-26.9%	-14.3%	-13.7%	13.7%	22.3%	8.3%
Traditional Appliances	9.6%	2.7%	3.7%	-8.0%	4.2%	8.5%	7.9%	11.8%	7.8%	5.4%	0.0%	13.0%	8.0%	9.2%	9.4%	2.5%
Emerging Appliances	24.6%	15.2%	9.6%	10.5%	2.0%	23.1%	30.5%	14.2%	28.7%	14.3%	14.5%	35.8%	20.2%	22.4%	17.1%	8.4%
Beer	3.8%	3.7%	7.7%	-12.5%	10.0%	8.2%	-0.5%	2.9%	-3.0%	-8.4%	-7.6%	-3.2%	-2.5%	3.4%	5.6%	7.7%
Spirits	20.6%	14.6%	16.8%	17.4%	17.4%	19.0%	14.8%	17.5%	17.1%	14.7%	9.3%	2.6%	7.6%	7.6%	9.5%	8.3%
Condiments	2.1%	21.9%	5.6%	-4.3%	1.9%	-3.9%	4.2%	-7.1%	8.6%	5.1%	8.4%	16.2%	9.2%	11.2%	9.3%	7.0%
Dairy	11.2%	9.5%	6.6%	12.6%	7.6%	2.5%	3.4%	0.3%	-5.3%	-15.5%	-6.9%	-3.8%	2.3%	-11.7%	4.4%	14.5%
Cosmetics	41.0%	32.4%	37.6%	38.7%	30.9%	38.1%	18.7%	24.6%	36.8%	33.2%	30.0%	30.2%	24.1%	24.8%	21.8%	21.4%
F&B (assume 1Q/2Q=1H, 3Q/4Q=2H)	9.1%	9.1%	13.5%	13.5%	20.0%	20.0%	26.6%	26.6%	15.6%	15.6%	5.0%	5.0%	14.6%	14.6%	16.5%	16.5%
Snacks	-4.8%	9.3%	6.8%	12.5%	5.9%	22.6%	30.5%	14.2%	50.4%	15.3%	18.8%	23.7%	9.7%	25.9%	21.3%	20.9%
Pet Care	31.2%	18.6%	54.0%	-3.3%	9.8%	17.1%	23.5%	32.2%	30.1%	14.4%	19.5%	22.7%	17.2%	14.6%	17.6%	22.5%
Furniture	20.4%	9.3%	1.7%	-2.5%	-12.1%	10.2%	4.4%	4.9%	5.9%	-14.9%	-17.3%	-4.5%	0.9%	8.7%	8.0%	1.3%
Luxury	0.2%	-27.2%	0.6%	-12.4%	17.8%	48.5%	9.9%	15.6%	-8.2%	-13.1%	-17.3%	-7.9%	0.5%	2.2%	6.8%	8.3%
Average	**14%**	**7%**	**13%**	**1%**	**9%**	**18%**	**13%**	**17%**	**16%**	**8%**	**7%**	**14%**	**8%**	**10%**	**13%**	**13%**
Macro																
China real GDP growth	4.8%	0.4%	3.9%	2.9%	4.5%	6.3%	4.9%	5.2%	5.3%	4.7%	4.6%	5.4%	4.9%	4.9%	4.5%	3.9%
China retail sales growth	3%	-5%	4%	-3%	6%	11%	4%	8%	5%	3%	3%	4%				
Household Cash Flow																
Disposable income growth	6%	3%	7%	4%	5%	8%	6%	6%	6%	4%	5%	6%				
Saving rate	38%	34%	33%	28%	38%	32%	30%	26%	37%	31%	31%	27%				
Home purchase growth	-26%	-36%	-21%	-27%	6%	-8%	-23%	-20%	-33%	-22%	-16%	4%				
Adj. discretionary cash flow growth	-20%	-22%	-12%	-32%	3%	19%	10%	42%	15%	9%	1%	9%				
Household Consumption growth	7%	-2%	5%	-2%	5%	12%	11%	9%	8%	5%	3%	5%				

As of Apr 7, 2025; the aggregate growth for each sector is weighted by the latest market cap

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 13: Diversified retailers, Cosmetics and Pet Care are expected to deliver highest yoy growth in 2025

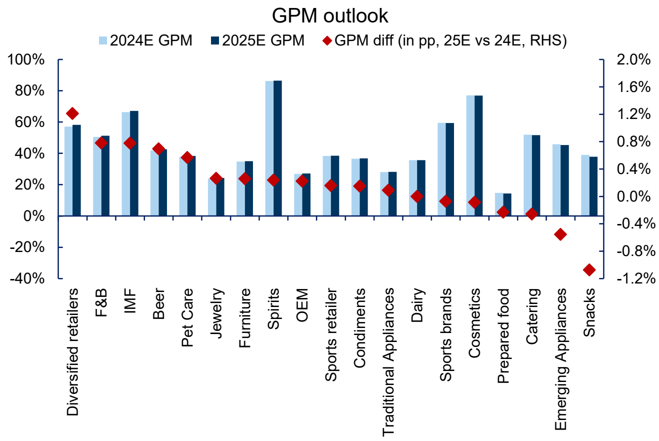
GS Consumer coverage forecasts, vs. 2019 and 2024

	Quarterly sales CAGR vs 2019								Annual sales yoy growth								
Sector	1Q24	2Q24	3Q24	4Q24	1Q25E	2Q25E	3Q25E	4Q25E	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
Sports brands	15%	12%	10%	17%	13%	11%	9%	15%	37%	36%	5%	37%	10%	16%	13%	9%	9%
Sports retailer	-2%	-5%	-7%	-6%	-2%	-4%	-5%	-4%	22%	7%	5%	-9%	-15%	3%	-5%	1%	4%
OEM	4%	6%	7%	7%	5%	7%	7%	7%	15%	10%	-4%	17%	15%	-11%	14%	9%	8%
Catering	10%	9%	7%	7%	9%	8%	7%	7%	28%	25%	-1%	26%	7%	33%	10%	12%	12%
Prepared food	19%	17%	17%	14%	17%	16%	15%	13%	19%	18%	21%	25%	20%	9%	7%	9%	9%
Diversified retailers	25%	24%	28%	32%	25%	24%	32%	36%			45%	67%	3%	51%	90%	53%	24%
Jewelry	9%	10%	11%	10%	5%	10%	13%	10%	14%	-3%	7%	36%	7%	15%	-11%	3%	6%
Traditional Appliances	6%	6%	6%	8%	6%	7%	6%	7%	15%	6%	4%	20%	3%	9%	7%	8%	4%
Emerging Appliances	18%	21%	26%	27%	18%	21%	24%	23%		23%	28%	42%	14%	17%	23%	15%	9%
Beer	4%	1%	1%	0%	3%	2%	2%	1%	7%	20%	-7%	14%	2%	7%	-5%	3%	4%
Spirits	17%	16%	13%	13%	15%	14%	13%	12%	29%	18%	10%	18%	18%	18%	10%	7%	9%
Condiments	8%	7%	7%	7%	8%	8%	7%	7%	20%	18%	17%	8%	5%	-1%	9%	9%	9%
Dairy	6%	4%	4%	5%	5%	1%	4%	6%	16%	14%	4%	15%	10%	4%	-8%	3%	3%
Cosmetics	32%	34%	28%	35%	31%	32%	27%	33%	40%	38%	24%	38%	44%	55%	31%	22%	18%
F&B (assume 1Q/2Q=1H, 3Q/4Q=2H)	13%	13%	13%	13%	13%	13%	14%	14%	12%	19%	2%	29%	13%	24%	10%	16%	13%
Snacks	17%	13%	15%	14%	16%	15%	16%	15%	19%	11%	12%	10%	4%	8%	12%	9%	8%
Pet Care	25%	22%	26%	20%	24%	21%	25%	20%	39%	17%	39%	25%	28%	21%	20%	18%	19%
Furniture	11%	9%	7%	7%	9%	9%	7%	6%	22%	14%	12%	35%	2%	2%	-8%	4%	3%
Luxury	13%	10%	7%	8%	11%	9%	7%	8%	16%	12%	6%	50%	-15%	12%	-20%	-2%	11%
Average	**13%**	**12%**	**12%**	**13%**	**12%**	**12%**	**12%**	**13%**	**22%**	**18%**	**13%**	**26%**	**8%**	**14%**	**10%**	**11%**	**9%**
Macro																	
China real GDP growth	5.0%	4.5%	4.7%	4.8%	5.0%	4.6%	4.7%	4.7%	6.0%	6.0%	2.2%	8.5%	3.0%	5.2%	5.0%	4.5%	4.0%
China retail sales growth	4%	3%	3%	3%	4%	3%	2%	3%	8%	8%	-5%	12%	0%	7%	3%		
Household Cash Flow																	
Disposable income growth	6%	6%	6%	6%					10%	9%	5%	9%	5%	6%	5%	5%	
Saving rate	38%	32%	33%	26%					30%	30%	34%	31%	33%	32%	32%	31%	
Home purchase growth	-4%	-10%	-12%	-10%					15%	10%	11%	5%	-30%	-9%	-18%	-9%	
Adj. discretionary cash flow growth	-1%	0%	0%	1%					1%	2%	1%	13%	-22%	18%	8%	7%	
Household Consumption growth	6%	6%	6%	5%					10%	9%	-1%	14%	2%	9%	5%	5%	

As of Apr 7, 2025; the aggregate growth for each sector is weighted by the latest market cap

Source: Company data, Goldman Sachs Global Investment Research

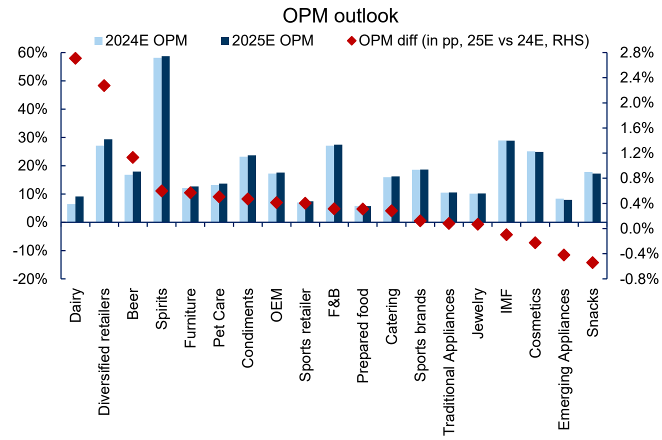
Exhibit 14: GPM outlook by sector



As of Apr 7

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 15: OPM outlook by sector



As of Apr 7

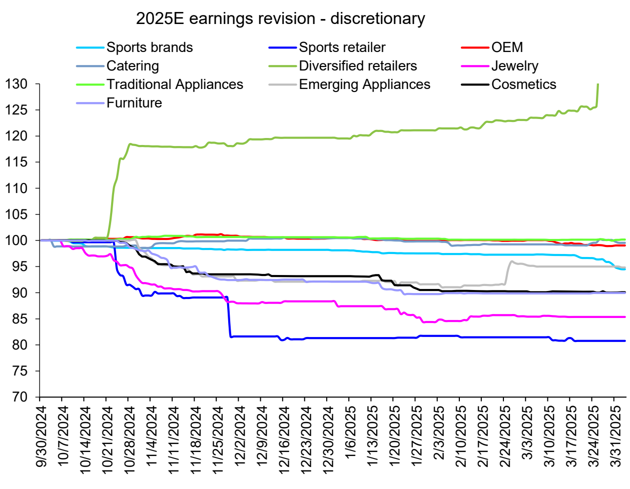
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 16: China consumer shareholder returns

As of Apr 7; share buyback is adjusted to 2025E horizon

Source: Company data, Goldman Sachs Global Investment Research

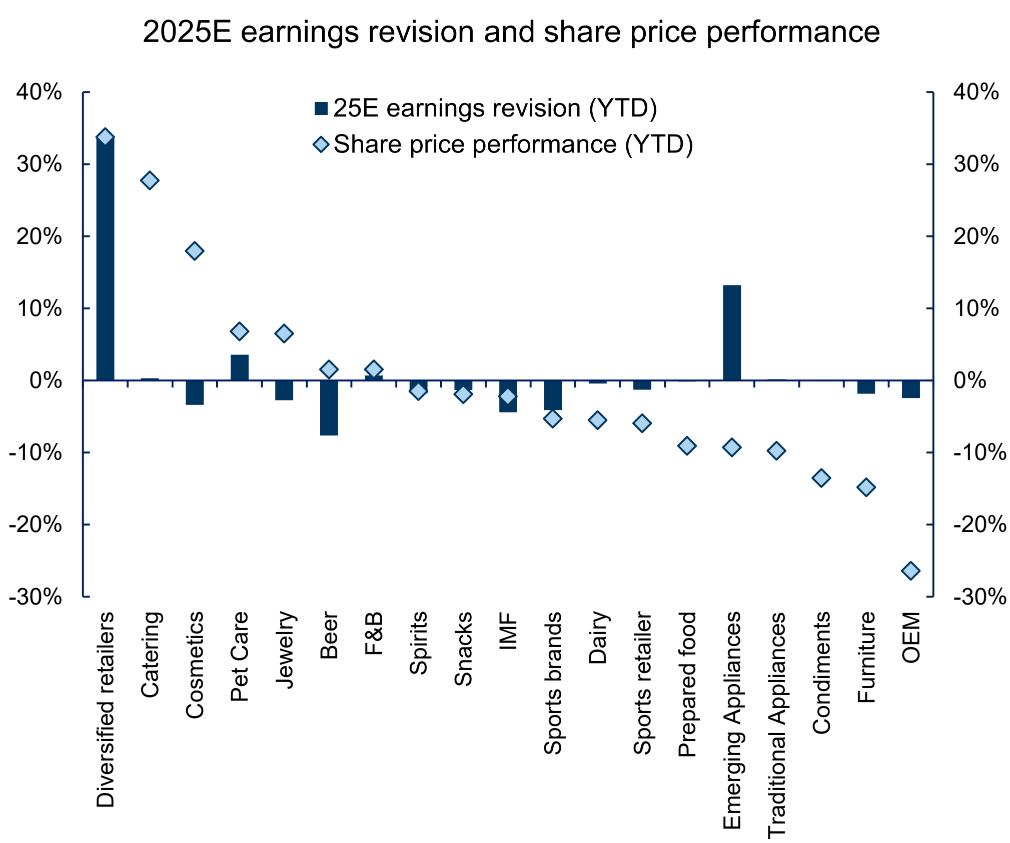
Exhibit 17: YTD, diversified retailers and pet care earnings have been revised up the most



As of Apr 3

Source: Bloomberg, Goldman Sachs Global Investment Research

Exhibit 18: 2024E earnings revisions and price performance by sector



As of Apr 7

Source: Refinitiv Eikon

GS sector/stock preferences

We refresh our sector preference (Exhibit 19) vs our earlier preference in Mar update for the next 3-6 months. 1) We continue to **prefer diversified retailers** (resilient IP demand in domestic market along with overseas expansion opportunity), **selective sportswear brands** (selective companies see product cycle/category momentum benefits, undemanding valuation), **dairy** (turnaround story; support on new birth to benefit IMF), and **beverage** (penetration opportunity). 2) We **upgrade restaurants to preferred sector** from neutral given the improving pricing trend and the sector would be a beneficiary if consumption/traffic recovers. Leading players in the sector could enjoy re-consolidation opportunity; and we expect fast growth from leading freshly made drink players. 3) We **downgrade white goods to neutral** from most preferred considering the tariff headwinds. 4) Apparel OEM, furniture, projectors, discretionary small kitchen appliances, jewelry and non super-premium spirits remain our least preferred sectors.

Exhibit 19: Sector preference

	Sector
Preferred	Sports brands, Diversified retailer, Dairy, Beverage, Restaurants↑
Neutral	Condiment, Cosmetics, Snacks, Beer, Major/small kitchen appliances, RVC, Pet food, Super premium spirits, Prepared food, Sports retailer, Leading white goods ↓
Least preferred	Furniture, Projectors, Discretionary small kitchen appliances, Jewelry, Spirits (non super-premium), Apparel/footwear OEM

As of Apr 8, 2025

Source: Goldman Sachs Global Investment Research

Exhibit 20: Comp sheet of preferred stocks

Company	Ticker	Rating	Mkt cap (US$mn)	3m Ave. daily turnover (US$mn)	12m TP (LLC)	Current price (LLC)	(+/-) vs TP	Net income (yoy)			PE (x)			EV/EBITDA (x)			ROE			Dividend yield			FCF yield		
						7-Apr		2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
China consumer discretionary																									
Anta	2020.HK	Buy*	27,526	143.4	117.00	75.50	55%	14%	14%	16%	13	15	13	14	12	11	28%	21%	22%	3%	3%	4%	3%	9%	7%
Mixue	2097.HK	Buy	17,169		484.00	351.40	38%	41%	17%	22%		24	20		16	12	35%	27%	25%		1%	2%		3%	5%
Yum China	YUMC	Buy	16,719	133.1	58.00	45.34	28%	10%	4%	13%	17	18	15	8	8	7	15%	17%	21%	2%	2%	3%	4%	5%	6%
Laopu Gold	6181.HK	Buy	13,880	71.6	976.00	640.50	52%	254%	153%	48%	14	27	18	11	20	13	54%	69%	61%	5%	1%	2%	-7%	1%	4%
Giant Biogene	2367.HK	Buy	8,060	29.8	72.00	60.90	18%	42%	24%	21%	19	23	19	16	18	15	36%	31%	30%	3%	1%	2%	4%	4%	5%
Guming	1364.HK	Buy	4,744		21.00	15.50	35%	37%	29%	21%		18	15		13	10	112%	44%	33%		6%	3%		5%	7%
China consumer staples																									
Kweichow Moutai	600519.SS	Buy	257,631	659.4	2,017.00	1,500.00	34%	15%	10%	10%	23	20	18	15	13	11	38%	39%	39%	3%	4%	4%	4%	5%	5%
Eastroc Beverage	605499.SS	Buy	18,130	92.4	286.00	255.00	12%	63%	31%	24%	28	31	25	22	24	19	47%	52%	55%	3%	2%	3%	5%	2%	3%
Tsingtao H-Share	0168.HK	Buy	9,564	32.8	60.00	55.00	9%	2%	12%	10%	15	14	13	8	8	7	15%	16%	17%	5%	5%	5%	8%	4%	5%
Mengniu	2319.HK	Buy	9,097	70.4	24.00	17.96	34%	n.m.	n.m.	19%	n.m.	12	10	19	8	7	13%	12%	14%	3%	3%	4%	0%	9%	11%
Tingyi	0322.HK	Buy	8,946	17.8	14.40	12.34	17%	20%	16%	14%	18	15	13	8	7	7	27%	30%	33%	6%	7%	8%	11%	8%	9%
China Resources Beverage	2460.HK	Buy	4,104	8.8	19.00	13.58	40%	23%	26%	17%	16	15	12	6	6	5	18%	18%	19%	4%	3%	4%	4%	1%	6%
China Pet Foods	002891.SZ	Buy	1,487	39.4	42.00	36.98	14%	63%	11%	32%	29	26	19	19	15	12	16%	16%	18%	1%	1%	2%	0%	2%	3%
China durables																									
Midea Group	000333.SZ	Buy	70,321	383.1	88.00	67.18	31%	14%	9%	7%	13	12	11	9	8	8	20%	19%	19%	5%	6%	6%	10%	9%	8%
Robam	002508.SZ	Buy	2,769	25.8	25.00	21.34	17%	-3%	12%	2%	12	11	11	10	8	8	15%	16%	15%	5%	6%	6%	8%	8%	9%

* denotes stocks on the APAC Conviction List

Source: Goldman Sachs Global Investment Research, Company data, Bloomberg

Macro datapoints see signs of bottoming out; watch policy execution/tariff impact ahead

Echoing what we have seen at company level, while no significant rebound and we continue to see volatility, the macro data points also suggests bottoming out signs: 1) **income/employment:** household disposable income and consumption grew sequentially faster in 4Q24, and the urban surveyed unemployment rates ticked down; 2) **consumer confidence** sequentially improved since Nov 24; 3) **property market:** while still wait for concrete signs on primary/secondary price stabilization, there has been signs of green shoots.

On Mar 16, the State Council published a Special Action Plan to boost consumption which outlined and reiterated the general directions to support consumption, covering comprehensive aspects from demand to supply and the consumption environment, showing government's commitment to boost consumption. So far, the direct policy stimulus is still mainly on home appliance (Rmb300bn for consumer goods trade-in program in 2025), while we also note some provinces/cities have launched childcare subsidy (e.g. Hohhot where Rmb10k/50k/100k will be offered to household having first/second/third child and above), and categories including outdoors, IP, service are mentioned in the document. Policy scale/scope and execution remains key to watch which could bring direct stimulus to consumption as well as bring support from income/wealth effect side.

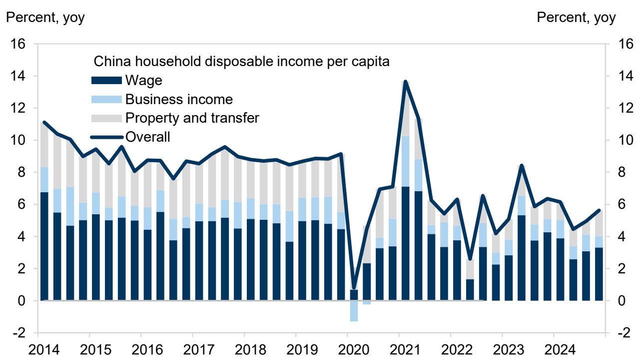
On the other hand, US president Trump announced a "reciprocal" tariff plan where China exports would face an additional 34% tariff; and on Apr 4th, China announced a 34% tariff increase on all US exports to China. While our macro team maintains full year GDP growth at 4.5%, they note downside risks if trade tensions continue to escalate and global growth weakens further. Macro team continue to expect fiscal policy easing as a major policy support to offset growth headwinds from US tariffs.

Exhibit 21: Goldman Sachs China Household Discretionary Cashflow Model

(Rmb tn)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
Disposable income												
Wage income	*17.0*	*18.5*	*20.2*	*22.0*	*24.0*	*25.2*	*27.7*	*29.1*	*31.1*	*32.9*		
Business income	*5.4*	*5.8*	*6.2*	*6.7*	*7.3*	*7.5*	*8.3*	*8.7*	*9.2*	*9.7*		
Property income	*2.4*	*2.6*	*2.9*	*3.3*	*3.7*	*3.9*	*4.3*	*4.6*	*4.7*	*4.8*		
Transfer income	*5.2*	*5.9*	*6.6*	*7.6*	*8.3*	*8.9*	*9.2*	*9.7*	*10.2*	*10.8*		
A) Disposable income	**30.0**	**32.7**	**35.9**	**39.7**	**43.3**	**45.5**	**49.6**	**52.1**	**55.3**	**58.2**	**61.3**	**64.8**
Surveyed disposable income growth	*9.5%*	*9.0%*	*9.7%*	*10.5%*	*9.2%*	*4.9%*	*9.2%*	*4.9%*	*6.2%*	*5.2%*	*5.3%*	*5.7%*
Financing activities												
B) Debt service	(4.3)	(4.7)	(5.7)	(7.3)	(8.4)	(9.6)	(11.7)	(12.7)	(14.1)	(15.2)	(15.4)	(15.7)
Mortgage	(1.7)	(2.0)	(2.5)	(3.2)	(3.7)	(4.2)	(4.8)	(5.1)	(5.2)	(6.1)	-5.9	-5.8
Non-mortgage HH loan	(2.5)	(2.7)	(3.2)	(4.1)	(4.7)	(5.4)	(6.9)	(7.6)	(8.9)	(9.1)	-9.5	-9.8
C) Gross borrowing	6.5	9.3	10.6	11.7	12.3	13.5	15.1	12.3	15.4	14.6	14.9	15.9
Total mortgage balance	13.1	18.0	21.9	25.8	30.2	34.5	38.3	38.8	38.2	37.4	37.2	37.4
Yearly mortgage payment %	-16%	-15%	-14%	-15%	-14%	-14%	-14%	-13%	-14%	-16%	-16%	-16%
D) Discretionary cash flow = A + B + C	32.2	37.4	40.8	44.0	47.2	49.4	53.0	51.7	56.6	57.6	60.7	65.0
yoy growth	*11.6%*	*15.9%*	*9.3%*	*7.7%*	*7.3%*	*4.6%*	*7.4%*	*-2.5%*	*9.5%*	*1.7%*	*5.5%*	*7.1%*
E) Saving - Deposit change	4.5	(5.5)	(4.5)	(7.2)	(9.7)	(11.3)	(9.9)	(17.9)	(16.7)	(14.4)	(14.6)	(15.4)
% of disposable income	15%	-17%	-13%	-18%	-22%	-25%	-20%	-34%	-30%	-25%	*-24%*	*-24%*
Saving - Macro team's definition = A - G	8.6	9.2	10.6	11.8	12.9	15.5	15.6	17.4	17.5	18.4	19.4	20.3
Saving rate on Macro team's definition	28%	28.2%	29.5%	29.7%	29.9%	34.1%	31.4%	33.5%	31.7%	31.6%	31.1%	30.9%
F) Adj. discretionary cash flow = D + E	**36.7**	**31.9**	**36.3**	**36.7**	**37.5**	**38.1**	**43.1**	**33.8**	**39.9**	**43.2**	**46.1**	**49.6**
yoy growth	*31.2%*	*-13.1%*	*13.7%*	*1.3%*	*2.1%*	*1.4%*	*13.3%*	*-21.7%*	*18.2%*	*8.2%*	*6.8%*	*7.6%*
Discretionary cash outflow												
G) Consumption	21.5	23.5	25.3	27.9	30.4	30.0	34.0	34.6	37.8	39.8	41.9	44.5
yoy growth	*9.0%*	*9.4%*	*7.7%*	*10.1%*	*9.0%*	*-1.5%*	*13.7%*	*1.8%*	*9.0%*	*5.3%*	*5.3%*	*6.2%*
H) House purchase and other investments	15.3	8.4	11.0	8.8	7.1	8.1	9.1	(0.9)	2.1	3.4	4.2	5.1
Home purchase	7.3	9.9	11.0	12.6	13.9	15.5	16.3	11.4	10.3	8.5	7.7	7.4

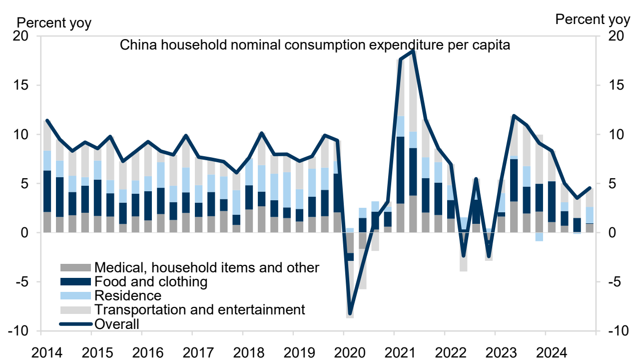
Source: NBS, Wind, Goldman Sachs Global Investment Research

Exhibit 22: Year-over-year growth in household disposable income per capita improved in Q4 2024



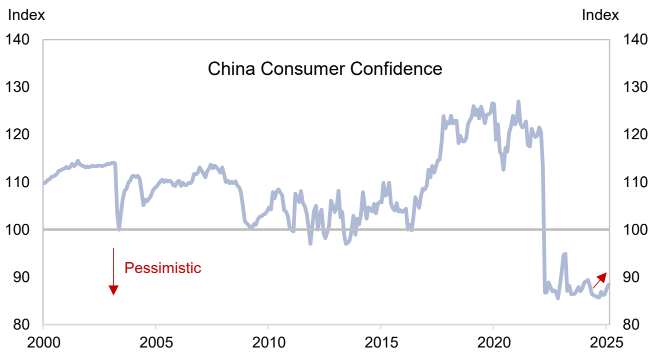
Source: NBS

Exhibit 23: Year-over-year growth in household consumption per capita accelerated in Q4 2024



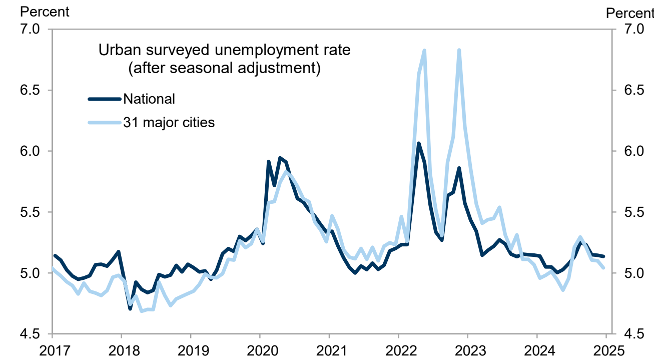
Source: Goldman Sachs Global Investment Research, CEIC

Exhibit 24: Consumer confidence sequentially improved in past few months



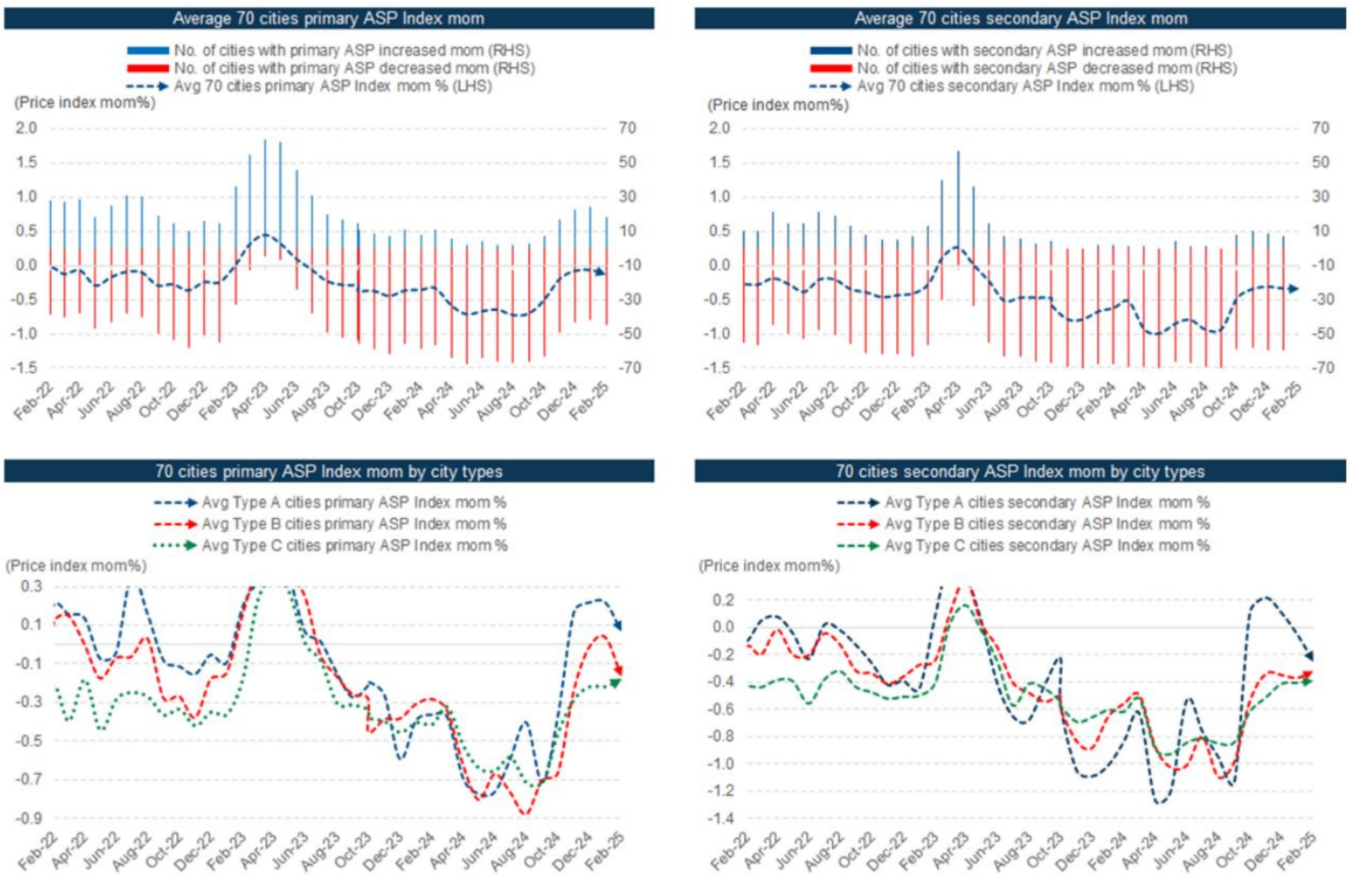
Source: Haver Analytics, Goldman Sachs Global Investment Research

Exhibit 25: Urban unemployment rates inched down in Q4



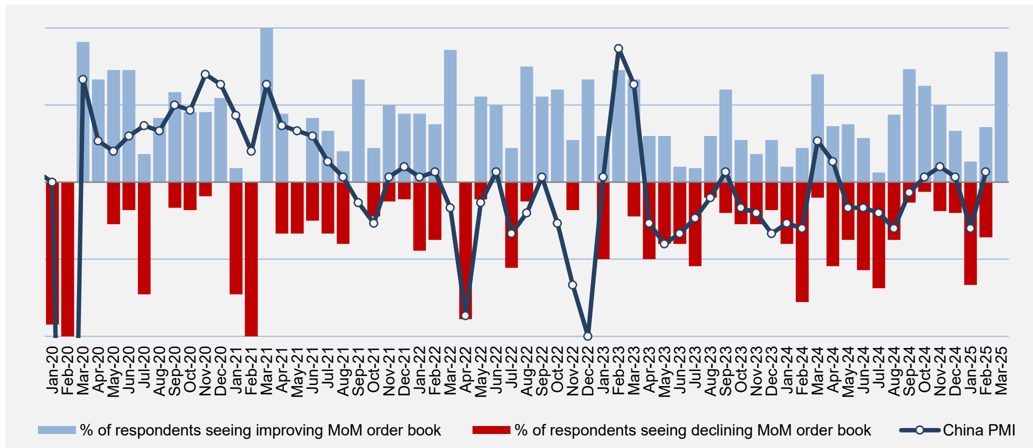
Source: NBS, Goldman Sachs Global Investment Research

Exhibit 26: Sequential ASP declines in primary/secondary in Feb



Source: NBS, Data compiled by Goldman Sachs Global Investment Research

Exhibit 27: Downstream orderbook MoM trend picked up in March



Source: CEIC, Goldman Sachs Global Investment Research (proprietary survey)

Valuation methodology and risks

Exhibit 28: Valuation Methodology and Key Risks

Company name	Ticker	Rating	Valuation methodology	Key risks
Anta	2020.HK	Buy (on CL)	Our TP is HK$117 based on 21x 2027E PE discounted back to 2025E	Weaker Fila growth, lower retail sales growth of the core Anta brand and opex control.
Moutai	600519.SS	Buy	Our 12-m TP is based on 26.5x 2026E P/E discounted back to end-2025E using a 9.5% COE	Downside:1) Potential regulation changes such as a consumption tax rate hike; 2) Environmental pollution; 3) A slower-than-expected macroeconomic recovery; 4) Capacity constraints; 5) More volatility in US rate hikes given the negative correlation between Moutai's P/E and the US 10-yr bond yield.
Midea	000333.SZ/0300.HK	Buy	Our 12-m TP of (A/H-share) Rmb88/HK$88 is based on a 16X exit multiple applied to our 2027E EPS, discounted backed to 2025E using a 9.5% cost of equity.	1) Worse-than-expected disruption on white goods demand from weaker macro globally; 2) Rising material costs affecting product margins; 3) Execution risk of its premiumization strategy; and 4) Rising competition in the low-to-mid-end segment.
YUMC	YUMC/9987.HK	Buy	We are Buy rated on YUMC with 12-m SOTP-based target prices of US$58/HK$452 for the ADR/H-share. Our target multiples are 12x 2025E EV/EBITDA for KFC China and 7x for Pizza Hut China.	1) weaker-than-expected SSSG; 2) higher-than-expected commodity costs; 3) stronger-than-expected competition; and 4) lower-than-expected execution efficiency.
Tsingtao-H	0168.HK	Buy	15.2X 2026E P/E, in line with global peers' full cycle avg in the past 5 years applying a historical average of A-H premium at 25%, discounted back to end-2025E using a 9.6% COE	1) Slower-than-expected premium volume growth; 2) Intense competition from higher marketing and channel investments by peers; 3) Unsuccessful national scale price hikes.
Tingyi	0322.HK	Buy	We are Buy rated on Tingyi. Our 12-month TP of HK$14.4 is based on a 16.5X 2026E P/E discounted back to 2025 year-end using 7.7% COE.	1) Higher-than-expected raw material cost pressures; weaker premiumization trends in instant noodle/beverage.
CR Beverage	2460.HK	Buy	We are Buy rated on China Resources Beverage with a 12-month TP of HK$19.0, based on a 19.0x 2025E P/E referring to the avg. P/E of Tingyi/UPC during 2018-2024 given similar growth stages.	1) More intensified competition than expected in the bottled water market; 2) Slower than expected development of the beverage business; 3) Raw material price movements; 4) Uncertainty over channel/distribution management; 5) Reputational risks/ food security issues.
Mengniu	2319.HK	Buy	We are Buy rated on Mengniu. Our 12-month TP of HK$24.0 is based on a target P/E of 15.1x (1STD below prior downcycle P/E in 2015-16) applied to 2026E EPS and discounted back to end-2025E.	1) Slower-than-expected premium demand; 2) A slower-than-expected dairy demand recovery; 3) More intense dairy industry competition; 4) Wider losses in new categories.
Giant Biogene	2367.HK	Buy	Our 12-month TP of HK$72 based on a 22x 2027E P/E discounted back to 2025E using a 9.6% COE.	Slower-than-expected growth/intensified competition in the professional skin treatment market; inability to develop successful products; regulatory risk.
Laopu	6181.HK	Buy	We derive our 12-m TP of HK$976 for Laopu Gold, based on 25x 2027E target PE and discount back to mid-2026E at 9.6% COE.	1) potential gold price slump, 2) tough regulatory environment over luxury consumption, 3) regional concentration, and 4) potential sell-off of IPO shares post lock-up expiry.
Robam	002508.SZ	Buy	Our 12-m target price of Rmb25 is based on 14x exit multiple applied to 2026E EPS and discounted back to 2025E using a 9.5% cost of equity.	1) increasing competition from mass-market players such as Vatti and Supor, which could hurt growth, especially in the lower-tier cities and online channels; 2) an increasing share of the developer channel, which could dilute overall operating margins; and 3) failure to launch new successful products such as dishwashers, steam ovens and integrated range hoods, which would impact revenue growth.
China Pet Foods	002891.SZ	Buy	We are Buy rated on China Pet Foods. Our 12m SOTP-based target price of Rmb42.0 is based on 18X FY25E P/E for the overseas business and 26X FY27E P/E for the domestic business discounted back 2 years at 7.9% COE.	1) Slower-than-expected domestic revenue growth; 2) Food safety issues; 3) Forex fluctuations; 3) Freight and raw material costs; 4) Additional tariffs on pet food exports from China to the US.
Eastroc Beverage	605499.SS	Buy	We are Buy rated on Eastroc.TP is based on a 30X 2026E P/E discounted back to end-2025E, with reference to historical average P/E of Monster Beverage in 2017-2019 when Red Bull was losing share in the US.	1) Lower industry growth in energy drinks, 2) worse competitive landscape, 3) failure/slower ramp-up of Eastroc's new product launches, 4) potential capacity shortage with already high utilization ratio, 5) higher increases in raw material costs, 6) slower geographical expansion of Eastroc, 7) slower POS penetration/ deployment of fridges, and 8) reputational risks.
Guming	1364.HK	Buy	We are Buy rated on Guming with a 12-m TP of HK$21, based on 20X 2026E P/E.	1) Unable to manage the large store network; 2) Lower-than-expected store expansion; 3) Underperformed store productivity; 4) Intensified competition, fashion risk and price war; 5) Increase in store level cost; 6) Larger-than-expected subsidies to franchisees; 7) Lower scale economy with geographical expansion; and 8) Food safety issues.
Mixue Group	2097.HK	Buy	We are Buy rated on Mixue with a 12-m TP of HK$484, based on 26X 2026E P/E.	1) store network management; 2) competition, 3) food cost inflation/operating costs, 4) food safety, 5) overseas expansion.

Source: Goldman Sachs Global Investment Research

Disclosure Appendix

Reg AC

We, Michelle Cheng, Leaf Liu, Nicolas Yi, Cathy Chen, CFA and Valerie Zhou, 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 universe of rated stocks) 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 (DACF) (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

The rating(s) for China Pet Foods, China Resources Beverage, Eastroc Beverage, Kweichow Moutai, Mengniu Dairy, Tingyi, Tsingtao Brewery (A) and Tsingtao Brewery (H) is/are relative to the other companies in its/their coverage universe: Angel Yeast, Anhui Gujing Distillery Co., Budweiser APAC, Chacha Food Co., China Feihe Ltd., China Pet Foods, China Resources Beer, China Resources Beverage, Chongqing Brewery, Eastroc Beverage, Foshan Haitian Flavouring & Food, Fu Jian Anjoy Foods Co., Fuling Zhacai, Gambol Pet Group Co., Jiangsu Hengshun Vinegar, Jiangsu King's Luck Brewery, Jiangsu Yanghe, Jiugui Liquor, Jonjee Hi-Tech, Kweichow Moutai, Ligao Foods, Luzhou Laojiao, Mengniu Dairy, Nongfu Spring, Petpal Pet Nutrition Technology, Qianhe Condiment and Food, Qianweiyangchu, Sanquan Foods, Shanghai Bairun, Shanxi Xinghuacun Fen Wine, Sichuan Swellfun Co., Sichuan Teway Food Group, Three Squirrels, Tingyi, Tsingtao Brewery (A), Tsingtao Brewery (H), Uni-President China, Want Want China, Weizhixiang, Wuliangye Yibin, Yankershop Food, Yihai International Holding, Yili Industrial, ZJLD

The rating(s) for Giant Biogene Holding and Laopu Gold is/are relative to the other companies in its/their coverage universe: AmorePacific Group, Amorepacific, Bloomage Biotechnology Corp., Botanee Biotech, Chow Tai Fook Jewellery Group, Chow Tai Seng Jewellery, Giant Biogene Holding, Hotel Shilla, LG H&H Co., Lao Feng Xiang Jewellery, Laopu Gold, Luk Fook Holdings, Mao Geping Cosmetics Co., Proya Cosmetics, Shanghai Jahwa United

The rating(s) for Anta Sports Products, Guming Holdings Ltd., Mixue Group, Yum China Holdings and Yum China Holdings (H) is/are relative to the other companies in its/their coverage universe: Anta Sports Products, Bloks Group Ltd., Bosideng International Holdings, Eclat Textile Co., Feng Tay Enterprises, Gourmet Master Co., Guming Holdings Ltd., Haidilao International Holding, Huali Industrial Group, Jiumaojiu, Juewei Food, Li Ning Co., Makalot Industrial Co, Miniso (ADR), Miniso (H), Mixue Group, Nayuki, Pop Mart, Pou Sheng International Holdings, President Chain Store, Shanghai M&G, Shenzhou International Group, Stella International Holdings, Topsports Intl Holdings, Uni-President Enterprises, Xtep International Holdings, Yue Yuen Industrial, Yum China Holdings, Yum China Holdings (H)

The rating(s) for Hangzhou Robam Appliances, Midea Group (A) and Midea Group (H) is/are relative to the other companies in its/their coverage universe: Anker Innovations Technology, Appotronics Corporation Ltd., Arrow Home Group, Bear Electric Appliance Co., Beijing Roborock Technology, Chengdu XGimi Technology Co., Ecovacs Robotics Co., Gongniu Group, Gree Electric Appliances Inc., Guangdong Xinbao Electrical, Guangzhou Shangpin Home Collection, Haier Smart Home Co. (A), Haier Smart Home Co. (H), Hangzhou Robam Appliances, Hisense Home Appliances Group (A), Hisense Home Appliances Group (H), Jason Furniture Hangzhou Co., Joyoung Co., Man Wah Holdings, Midea Group (A), Midea Group (H), Oppein Home Group, Opple Lighting Co., Suofeiya Home Collection Co., Zhejiang Meida Industrial Co Ltd., Zhejiang Supor Co.

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	49%	34%	17%	63%	57%	42%

As of April 1, 2025, Goldman Sachs Global Investment Research had investment ratings on 3,016 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 compliance officer and investor grievance contact details can be found at this link: https://publishing.gs.com/disclosures/hedge.html - /general/equity. **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, Early-Stage Biotech, 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 removed 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, and in certain other circumstances. **Early-Stage Biotech (ES).** An investment rating and a target price are not assigned pursuant to Goldman Sachs policy when this company neither has a drug, treatment or medical device that has passed a Phase II clinical trial nor a license to distribute a post-Phase II drug, treatment or medical device. **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.

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 Público 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 marches 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 af 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/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.