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Tariff Communication Examples Q1'25

May 2, 2025

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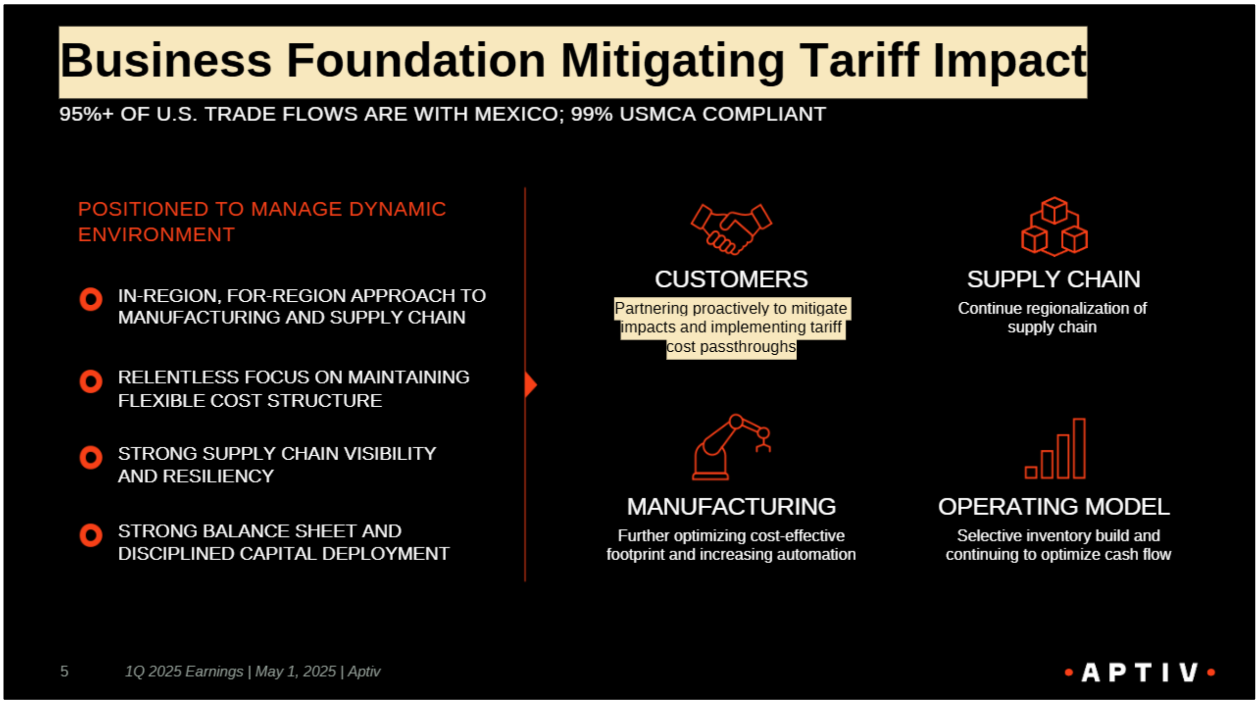
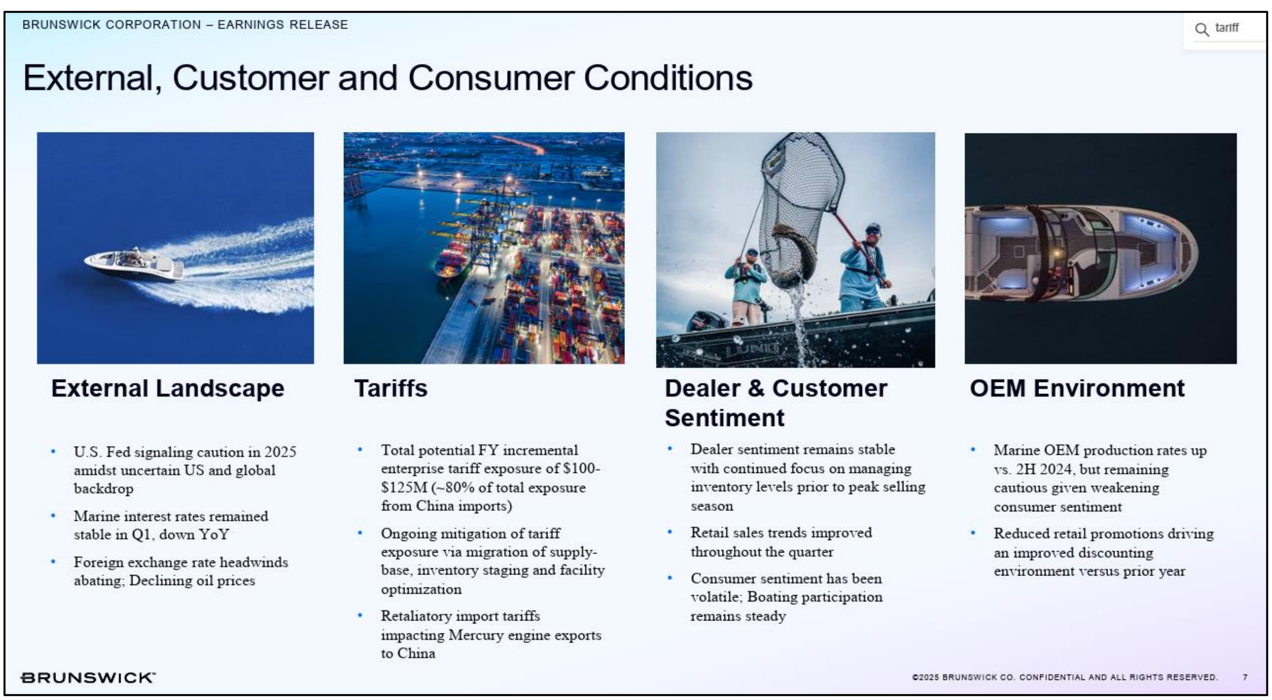
Week of 4/28 – Tariff / Guidance / Mitigation Slide Examples *(>$1B Market Cap)*

Consumer Discretionary

APTV – Aptiv ($13.7B, Automobile Components): Earnings Presentation – 5/1/2025

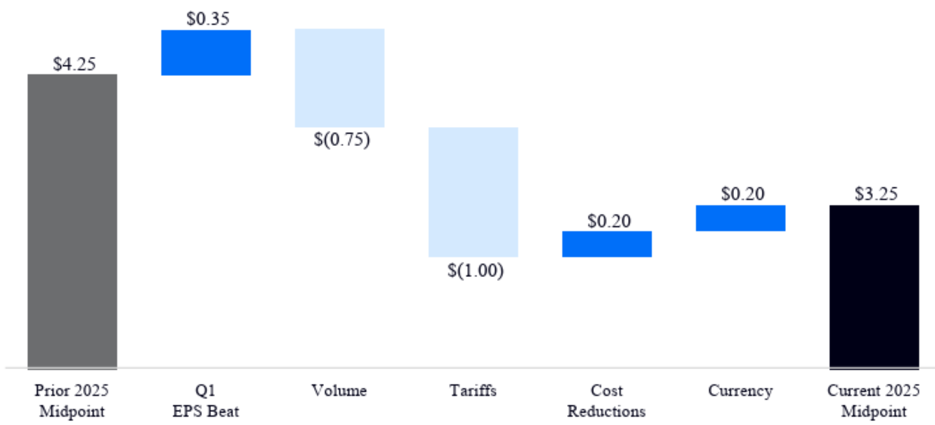


BC – Brunswick Corp ($3.0B, Leisure Products): Earnings Presentation – 4/24/2025



2025 Adjusted EPS Bridge

Updated full year EPS guidance of $2.50 to $4.00 relates entirely to incorporating incremental tariffs and related macro-economic impacts



- ✓ Incremental tariff impact likely to negatively impact demand
- ✓ Tariff assumptions are net of mitigation actions
- ✓ Incremental cost actions and recent FX trends serving as partial offsets

BRUNSWICK

2025 Tariff Update[1]

~70% of enterprise COGS are sourced from the United States

	% of 2025 COGS[2]	Estimated 2025 Impact, Net of Mitigation
China	~5%	$75 – 100M[3,4]
Mexico	~10%	<$5M
Canada	<5%	<$5M
ROW	<10%	<$15M
Section 232	<5%	<$10M

Net of offsets, we could see an incremental $100 - $125M[4] headwind from tariffs in 2025

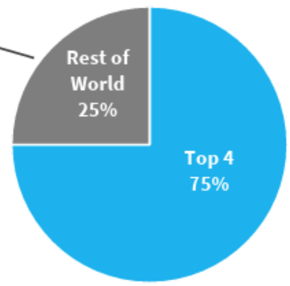
1. Assumes rates in effect as of April 15 continue for remainder of 2025
2. % of COGS represents only U.S. imports applicable to that jurisdiction or tariff category
3. Includes retaliatory tariffs currently in effect
4. Does not include $30 - $40 million of Section 301 China tariffs which were included in January guidance

CRI – Carter's ($1.5B, Textiles, Apparel & Luxury Goods): – 4/25/2025

OUR GLOBAL SOURCING NETWORK

Finished Goods Sourcing Mix by Country

2024



Top 4 Markets

- Vietnam
- Cambodia
- Bangladesh
- India

Highlights

- Well-diversified sourcing model; strong relationships with highly capable vendors
- Principal sourcing office located in Hong Kong
  - Regional offices in Vietnam, Cambodia, Bangladesh and China
  - Sourced >600 million manufactured pieces in 2024
- Limited western hemisphere young children's apparel manufacturing capacity
  - Minimal baby product production occurs in the U.S.

TARIFF RATE INCREASES AND POTENTIAL ACTIONS TO MITIGATE

Significant Incremental Tariffs Proposed

2025 Estimated Annual Effective Tariff Rates[1]

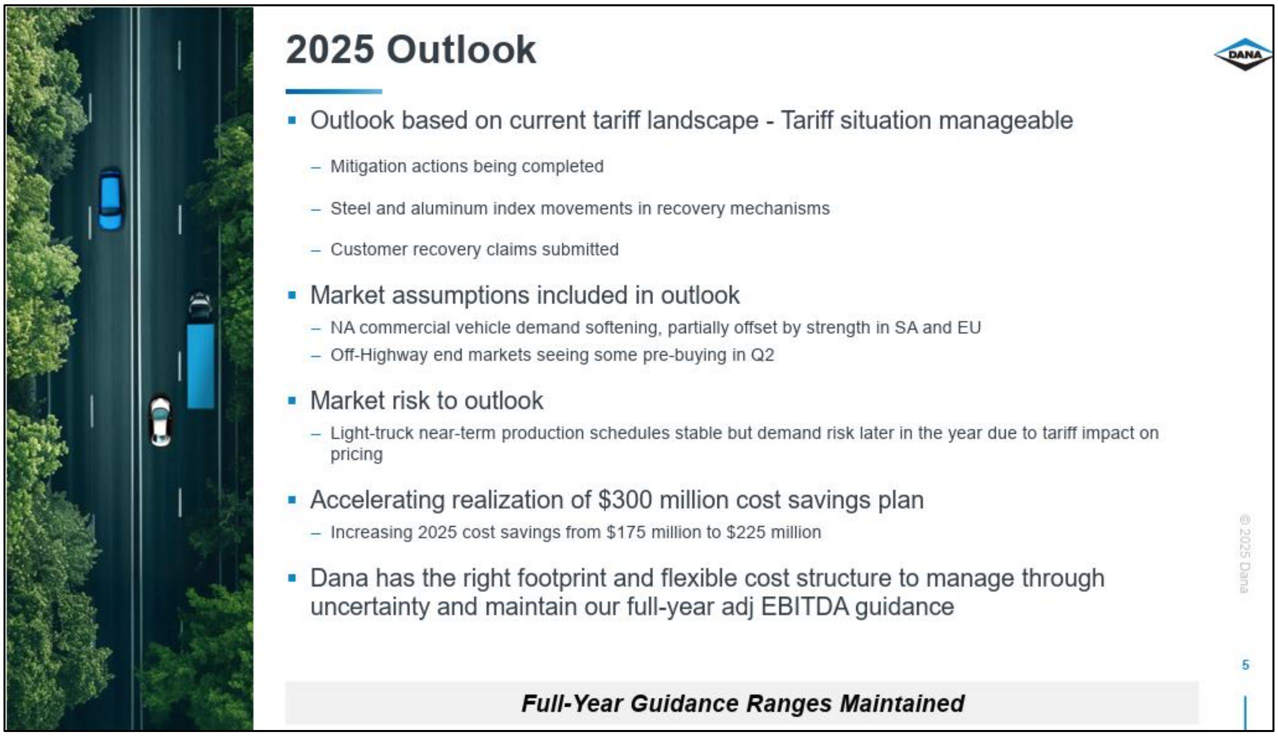
Country of Origin	Pre 4/2/25	Potential
Vietnam	15%	44%
Cambodia	13%	44%
Bangladesh	13%	35%
India	10%	25%
China	30%	125%

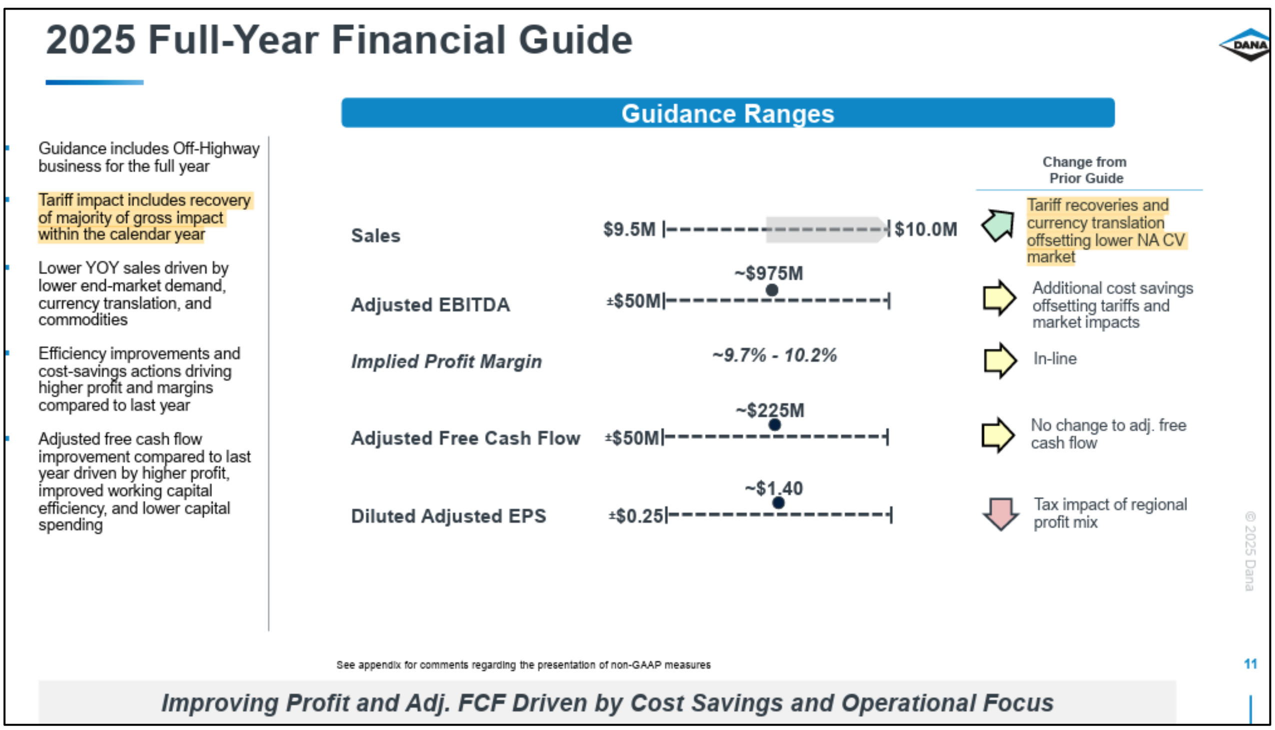
Mitigating the Impact of Tariffs

- Evaluating pricing
- Actioning:
  - Cost sharing with vendors
  - Shifting country of origin mix
  - Modifying product configurations
  - Adjusting inventory management
  - Leveraging Foreign Trade Zones

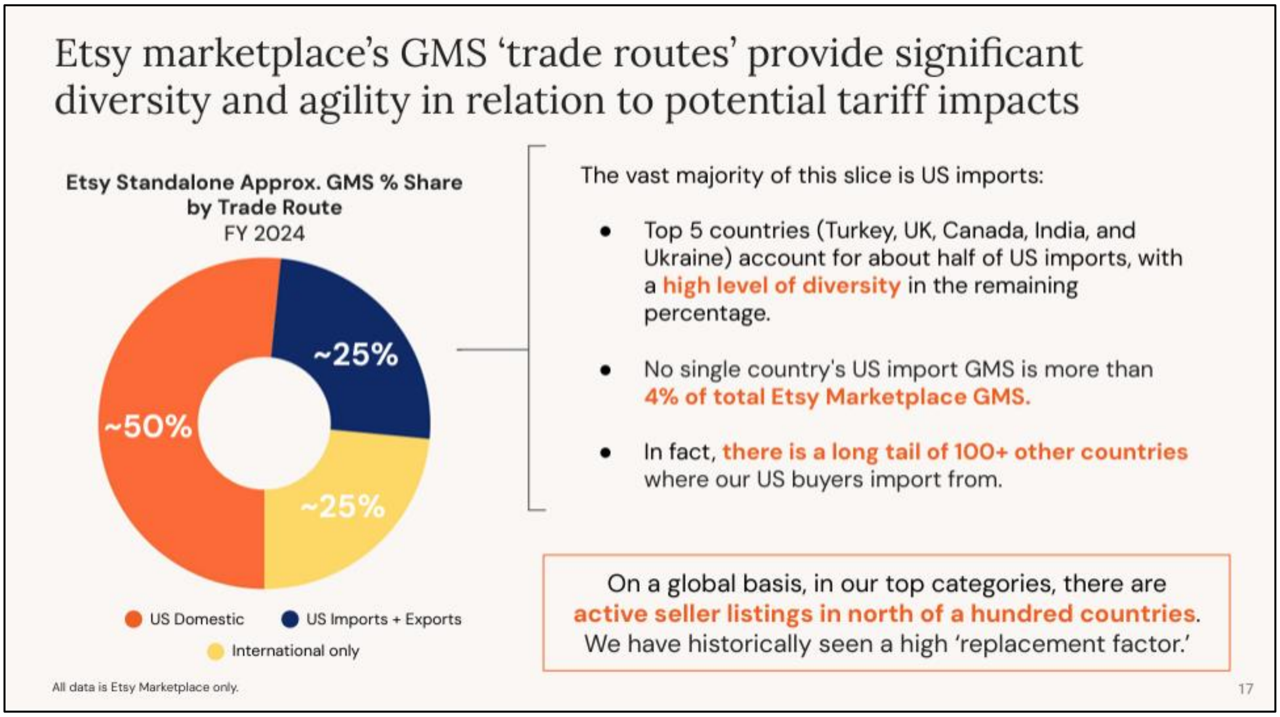
[1] Company weighted average rates.

DAN – Dana ($1.9B, Automobile Components): Earnings Presentation – 4/30/2025

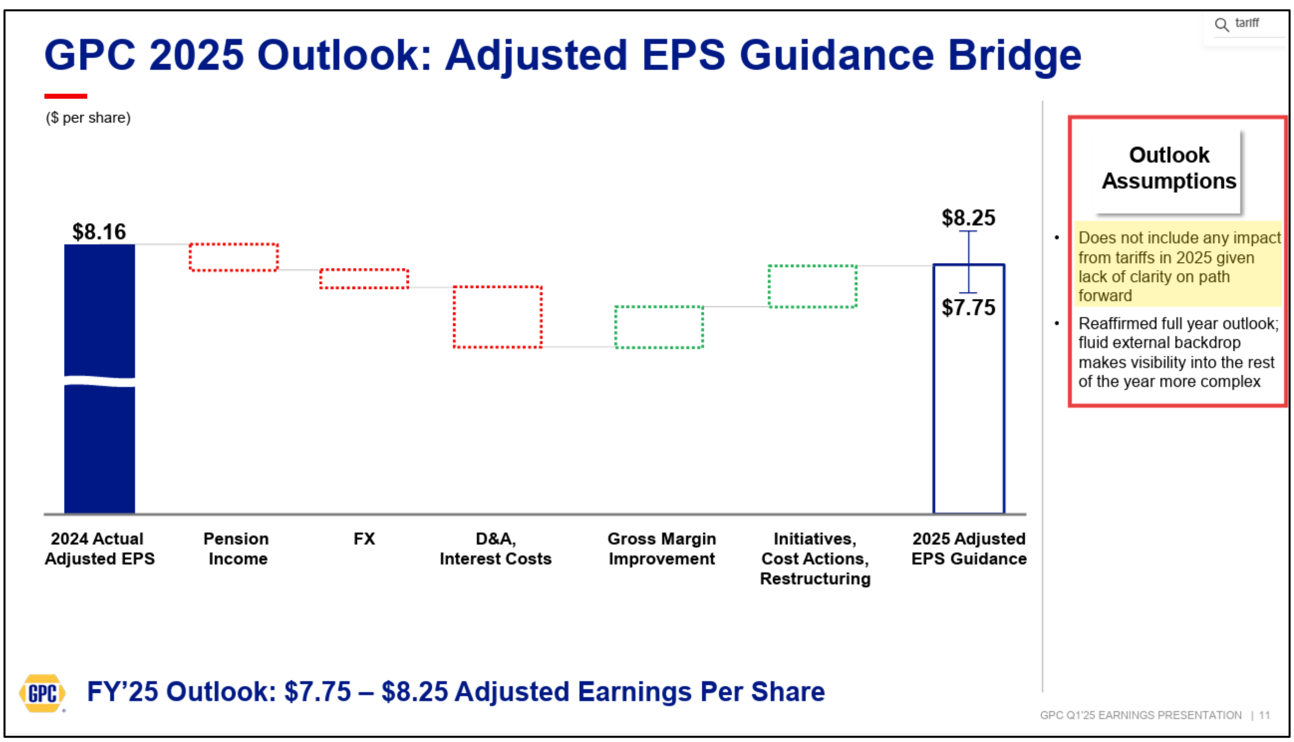




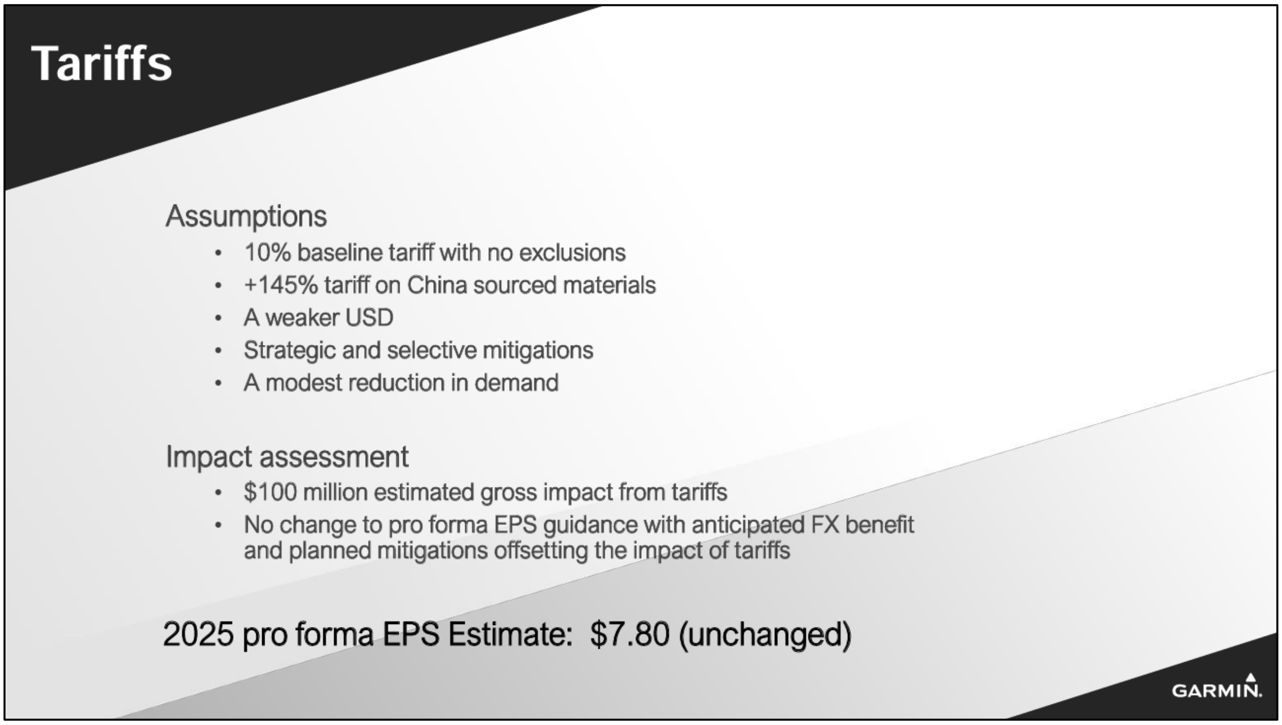
ETSY – Etsy ($5.1B, Broadline Retail): Earnings Presentation – 4/30/2025



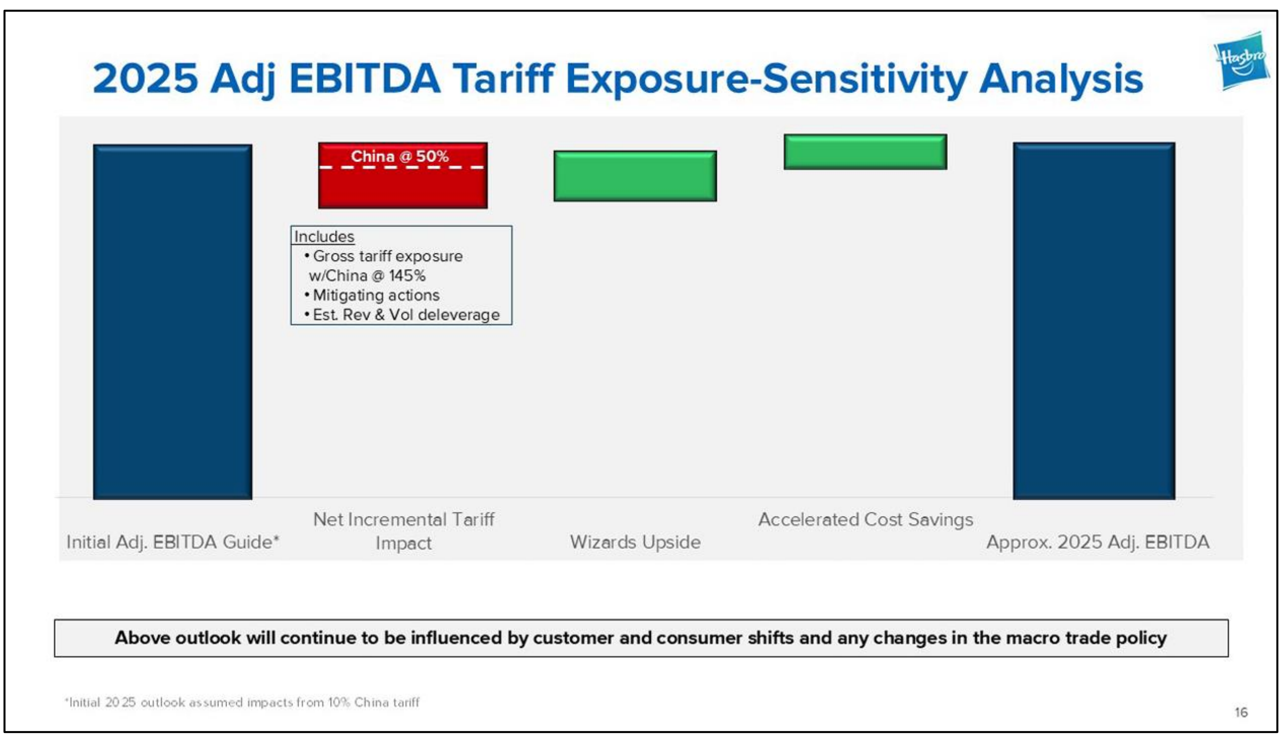
GPC- Genuine Parts ($16.5B, Distributors): Earnings Presentation – 4/22/2025



GRMN – Garmin Ltd. ($41.8B, Household Durables): Earnings Presentation – 4/30/2025



HAS – Hasbro ($8.6B, Leisure Products): Earnings Presentation – 4/24/2025



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HELE – Helen of Troy ($1.0B, Household Durables) – Earnings Press Release – 4/24/25

Fiscal 2026 Business Update

Due to evolving global tariff policies and the related business and macroeconomic uncertainty, the Company is not providing an outlook for fiscal 2026 at this time. The Company is in the process of assessing the incremental tariff impact in light of continuing changes to global tariff policies, and the full extent of its potential mitigation plans, as well as the associated timing to fully execute such plans in a rapidly changing macro environment. To mitigate the Company's risk of ongoing exposure to tariffs, it has intensified efforts to diversify its production outside of *China* into regions where it expects tariffs or overall costs to be lower and to source the same product in more than one region, to the extent it is possible and not cost-prohibitive. The Company expects to reduce its cost of goods sold exposed to *China* tariffs to less than 20% by the end of fiscal 2026. The Company continues to assess and implement other mitigation actions, which include cost reductions from suppliers and price increases to customers. While the Company has not yet made all its pricing decisions, price increases are being considered, along with other mitigation strategies. In addition to the uncertainty from evolving global tariff policies, the Company believes there is a high probability of unfavorable cascading impacts on inflation, consumer confidence, employment, and overall macroeconomic conditions that are impossible to predict at this time and outside of the Company's control.

Out of an abundance of caution and in expectation of a difficult and uncertain environment, the Company is implementing a number of measures to reduce costs and preserve cash flow that will remain in place until there is greater certainty and less variability, which include the following:

- Suspension of projects and capital expenditures that are not critical or in support of supplier diversification or dual sourcing initiatives;
- Reduction and deferral of marketing, promotional, and new product development expense;
- Actions to reduce overall personnel costs and pause most project and travel expenses;
- A freeze on inventory purchases from *China* in the short term, with the exception of purchases supporting key launches already underway, and an overall reduction in inventory purchases in expectation of softer consumer demand in the short to intermediate term; and
- Actions to optimize accounts receivable and payable days outstanding.

Through the combination of tariff mitigation actions and these additional cost reduction measures, the Company believes it can offset 70% to 80% of the tariff impact in fiscal 2026, based on tariffs currently in place.

LKQ – LKQ ($11B, Distributors): Earnings Presentation – 4/24/2025

Outlook 2025[1]

(guidance unchanged from February 20, 2025)

	2025 Full Year Outlook
Organic P&S Revenue Growth	0% to 2%
Diluted EPS:	
GAAP[2]	$2.91 to $3.21
Adjusted[2][3]	$3.40 to $3.70
Cash Flow:	
Operating Cash Flow	$1.075 to $1.275 billion
Free Cash Flow[4]	$0.75 to $0.90 billion

Other Assumptions (balance of year):

- Tax Rate: 27.0%
- FX Rates: $1.08 EUR, $1.28 GBP, $0.70 CAD
- Scrap & Precious Metals Prices: Near Q1 average

(1) Our outlook for the full year 2025 is based on current conditions, recent trends and our expectations, including the assumptions noted above. Outlook excludes any potential impacts from the U.S. tariffs announced in 2025 or any potential retaliatory tariffs given the inherent uncertainty in the ongoing trade negotiations. Changes in these conditions may impact our ability to achieve the estimates.

(2) Actuals and outlook figures are for continuing operations attributable to LKQ stockholders

(3) Adjusted Diluted EPS is a non-GAAP measure. Refer to Appendix 4 for the definition of Adjusted Diluted EPS and Appendix 5 for reconciliation of forecasted Adjusted Diluted EPS

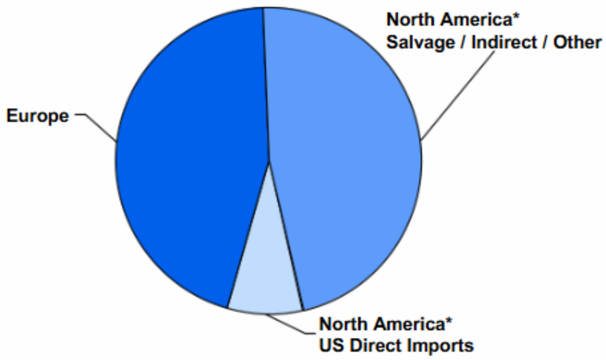
(4) Free Cash Flow is a non-GAAP measure. Refer to Appendix 5 for forecasted Free Cash Flow reconciliation

LKQ

Keeping you moving

Tariff Exposure

US direct imports are a small portion of global COGS



* North America includes WNA, Specialty and Self Service segments. US direct imports represents 2024 US direct imports based on customs data as a percentage of LKQ total 2024 COGS. Indirect / Other includes goods purchased by the North American segments from U.S. domestic vendors or imported outside the U.S., as well as non-product related costs.

** Exposure based on 2025 new tariffs effective as of April 22, 2025

- Geographic mix (e.g. Europe)
- Domestically sourced product mix
  - Salvage (collision and major mechanical)
  - Remanufacturing with minimal foreign sourced components

Our Tariff Mitigation Levers

- Leverage strong supplier partnerships to minimize net cost increases
- Optimize sourcing
- Promote domestically sourced products
- Mitigate remaining exposure with pass through pricing

LKQ 5 Keeping you moving

NWL – Newell Brands ($2.6B, Household Durables): Press Release – 4/30/2025

The Company widened its outlook for full year 2025 operating cash flow to a range of $400 million to $500 million from the prior range of $450 million to $500 million due to higher tariff cost on inventory.

Tariff Sensitivity

The Company's outlook includes the initial two rounds of IEEPA tariffs on China totaling 20%, Section 232 global steel and aluminum tariffs, and all other reciprocal tariffs of 10% currently in effect for countries outside of China. The most recent reciprocal China tariff of 125% is not included in the Company's current outlook. The Company's sensitivity analysis shows that if the 125% tariff rate remains in effect for the full year and is not mitigated, it could reduce Newell Brands' 2025 normalized EPS by approximately $0.20. However, the Company has already identified mitigating actions that it believes would be sufficient to cut this amount in half.

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PII – Polaris ($2.3B, Leisure Products): Earnings Presentation – 4/29/2025

First Quarter 2025 Overview

Total Company Results[1]

	Q1'25	Y/Y Change
Sales	$1,536M	⬇ 12%
Adjusted Gross Profit Margin	16.6%	⬇ 242 bps
Adjusted EBITDA Margin	3.4%	⬇ 291 bps
Adjusted EPS	($0.90)	⬇ $1.13

First Quarter Drivers

- Sales in line with expectations driven by a planned reduction in shipments and higher promotions
- Margins pressured by elevated promotions and negative FX somewhat offset by lower warranty expense and operational efficiencies
  - Minimal tariff impact in Q1 due to timing
- North America retail down 7%
- Gained share in Motorcycles and Pontoons, lost share in Off Road due to competitors' non-current inventory
- Dealer inventory down 11% relative to 3/31/24; down 14% excluding Snow and Youth
- Given uncertainty in global economic policy (tariffs), we are withdrawing our FY'25 guidance issued on January 28, 2025

First Quarter Results Within Expectations | Uncertainty Around Tariffs Clouds Outlook

Greater Tariff Impact Due to Our U.S. Footprint

We are the only American Powersports Company:

- ✓ U.S. Headquartered
- ✓ U.S. Manufacturer
- ✓ U.S. R&D

TARIFFS
• Reciprocal • Additional China • Mexico and Canada • Retaliatory • Steel/Aluminum

New rules have created environment where competition has less tariff impact, largest impact due to inputs for U.S. assembly

Committed to Reducing China Footprint

Resourcing delayed by COVID, but executing aggressively on resourcing this year and in 2026

Challenging Industry Headwinds

Added tariff impact in midst of powersports recession

Polaris Major Manufacturing Locations in USA

- *Minnesota*
- *Iowa*
- *Wisconsin*
- *Ohio*
- *Indiana*
- *Alabama*
- *California*
- *Washington*

Polaris employs **~8,000** Americans and supports over **2,000** dealerships in the U.S. who employ **~35,000** Americans

Current Tariff Picture and Mitigation Strategy

Estimated 2025 Tariff Impact by Country or Region

	Tariff %	$ Millions
China	145%	$200 - $240
Mexico	25%	~$15
Rest of World	10% - 25%	~$35
Steel & Aluminum	25%	~$10
Section 301**	25%	$60-$70
Net New Estimated Tariff Impact*		**$260 - $300**

4-Pronged Tariff Mitigation Strategy

- **Supply Chain and Manufacturing**
  - Taking actions to reduce China sourcing by 30% by year-end
  - Working to increase percentage of USMCA qualified shipments
    - Currently ~95% of U.S. imports from Mexico are USMCA qualified
- **Cost Control**
  - Reducing discretionary spending
  - Reviewing capex budget for the year
- **Reprioritizing Markets and Pricing**
  - Holding some shipments to Canada and Europe
  - Evaluating pricing strategies
- **Government Affairs**
  - Meeting with Congressional and Administration members

Post-Mitigation Actions and Deferral, Estimated Net New 2025 Tariff Impact to be < $225 Million

POOL – Pool ($12B, Distributors): Earnings Presentation – 4/24/2025

POOLCORP — First Quarter 2025 Earnings | 8

2025 GUIDANCE

2025 Earnings Driver	Expected Range
Net sales	Flat to slightly up
Inflation/pricing	Approximately +2% *including +1% from tariffs beginning in Q2*
Maintenance from installed base	Slight growth
New construction units	Flattish
Renovation and remodel activity	Flattish
Gross margin	In line with PY
GAAP diluted earnings per share	$11.10 to $11.60

Note: Based on company estimates; references to expected trends and comparisons are versus full year 2024

VC – Visteon ($2.1B, Automobile Components): Earnings Presentation – 4/24/2025

25 YEARS Visteon

Tariff Impact on Industry and Visteon

Tariff-driven uncertainty in global vehicle production outlook

Current Tariff Environment

- USMCA-compliant auto components are not currently subject to tariffs
- Nearly all of Visteon goods shipped into the US are USMCA compliant
- Automobiles subject to 25% tariff effective April 3rd
- Minimal Visteon impact from non-automotive specific tariffs

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- Industry vehicle production forecasts are starting to get revised down

Proposed Tariff Environment

- Auto parts tariffs of 25% on the non-US value of USMCA compliant parts to be effective on or after May 3rd
- Could impact ~$10 million of Visteon goods per week crossing the Mexico-US border and attract ~$2.5 million of cost[1]
- Recent indications suggest some potential relief for auto parts tariffs

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- Anticipate additional uncertainty in industry production volumes and vehicle and product mix

Not reaffirming guidance due to tariff-related uncertainty

7

(1) Based on vehicle volumes in original guidance and before customer recoveries.

25 YEARS Visteon

Tariff Impact

Not reaffirming guidance due to uncertainty related to tariffs and potential impact on vehicle volumes

Tariff Dynamics

Vehicle Production Outlook Uncertain
Significant variability and uncertainty from tariffs potentially impacting automotive market outlook despite strong Q1 results

Potential Auto Parts Tariff Impact on or After May 3rd
Tariffs on non-US content in USMCA-exempt parts could further increase vehicle production uncertainty and potentially impact Visteon up to ~$2.5 million per week[1]

Visteon Actions

Tariff Playbook
Working closely with OEM customers to optimize supply chain and minimize potential tariff impact; Visteon intends to pass along remaining costs to customers

Ongoing Cost Focus
Continued cost optimization activities to minimize the flow through of tariff impact on potentially lower vehicle volumes

Flexible Capital Allocation
Temporarily halting share repurchases and preserving cash while remaining opportunistic on sourcing technology-accretive acquisitions

13

(1) Based on vehicle volumes in original guidance and before customer recoverie

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WHR – Whirlpool ($5B, Household Durables): Earnings Presentation – 4/24/2025

Current Relevant Tariff Landscape of U.S. Imports

Whirlpool CORPORATION

Order	Scope
Section 232 *Initially implemented in 2018*	• Pre-2025: 25% Steel and 10% aluminum; multiple country and product exclusions; select components and finished goods covered • 2025 Update: Removed exclusions; increased aluminum to 25%; added additional components and finished goods as derivatives - e.g., gas ranges
Section 301 *Initially implemented in 2018*	• Pre-2025: Majority 25% (some 7.5%) based on specific HTS codes for components and finished goods from China • 2025 Update: No change
Canada / Mexico (IEEPA) *New in Q1 2025*	• Incremental 20% on Imports from China • 25% tariff on imports from Canada/Mexico only if non-USMCA compliant
Reciprocal (IEEPA) *New in Q2 2025*	• 10% for all countries excluding China, with higher tariffs on certain countries possible pending negotiations • 125% for China (stacks on IEEPA / Section 301; not applicable if Section 232 applies)

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Current Administration Trade Policies Will Level Playing Field for Domestic Production

Whirlpool CORPORATION

NEGATIVE IMPACT ON DOMESTIC PRODUCTION

- Since 2020, Asian producers have exploited 'Loopholes' in 232/301 tariffs resulting in ~$70/unit disadvantage for U.S. made products
- (Some) Asian producers circumvented existing 301 tariffs

Pre Q3/2024

AMPLIFIED NEGATIVE IMPACTS

- Asian producers 'loaded' U.S. industry in anticipation of tariffs, Q4 2024 and Feb YTD >30% higher imports from Asian countries
- (Threat of) retaliatory tariffs started to impact business in Canada (and Europe)

Q4/24 & Q1/25

NET POSITIVE IMPACT ON DOMESTIC PRODUCTION

- Some (retaliatory) tariff headwinds will continue, but…
- New reciprocal tariffs begin leveling the playing field and additional U.S. trade actions will better support American manufacturing

Q2/25 Forward

Existing Tariff "Loopholes" Created ~$70/unit Disadvantage for Domestic Production

Whirlpool

Illustrative Example

Same Product
(design cost ~$350)

Supply Chain	Steel Cost Difference (232) U.S. cold rolled 2-3x more expensive than Chinese	Component Cost Difference (232/301)	Retail Price Factor ~2x incl. trade margin
U.S. Production Vast Majority U.S. Inputs 	**~$50 per unit**	**~$20 per unit**	**$849**
Asia Production 0% U.S. Inputs 	**NO steel tariffs paid on finished goods**	**NO steel tariffs paid on components in finished goods**	**$699**

Expect new trade policies to eliminate this unfair disadvantage

Mitigating Actions Underway

Whirlpool

1 Pricing Actions

- (Component) cost based price increase already announced in April
- Previously announced Q1 pricing actions successfully implemented
- Additional cost take out initiatives to mitigate increases on raw materials, components and finished goods

2 Supply Sourcing Evaluation (Limited due to our largely U.S.-based footprint)

- Accelerating opportunities to shift sourced parts
- Assessing manufacturing footprint moves (insourcing / location shifts)

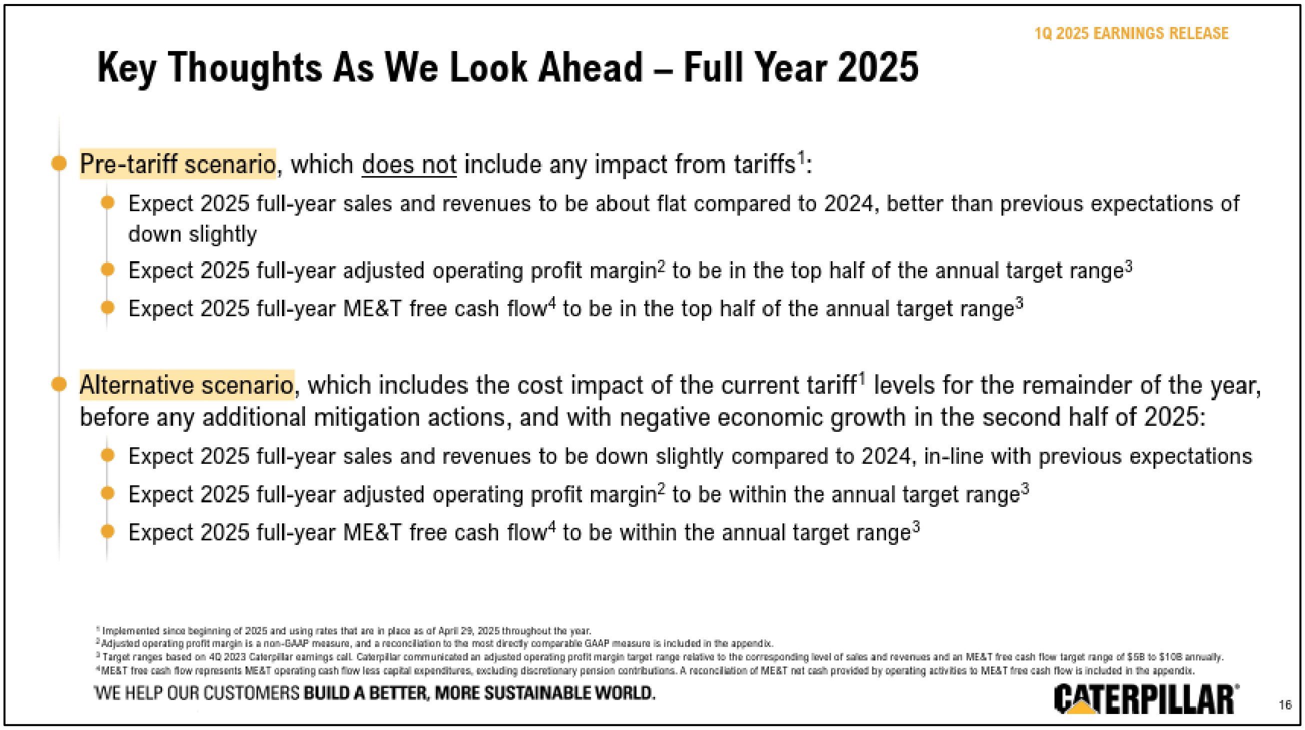
3 Proactive Monitoring

- Implemented tariff monitoring system and mitigation system
- Monitoring and responding to exemptions and circumvention risks

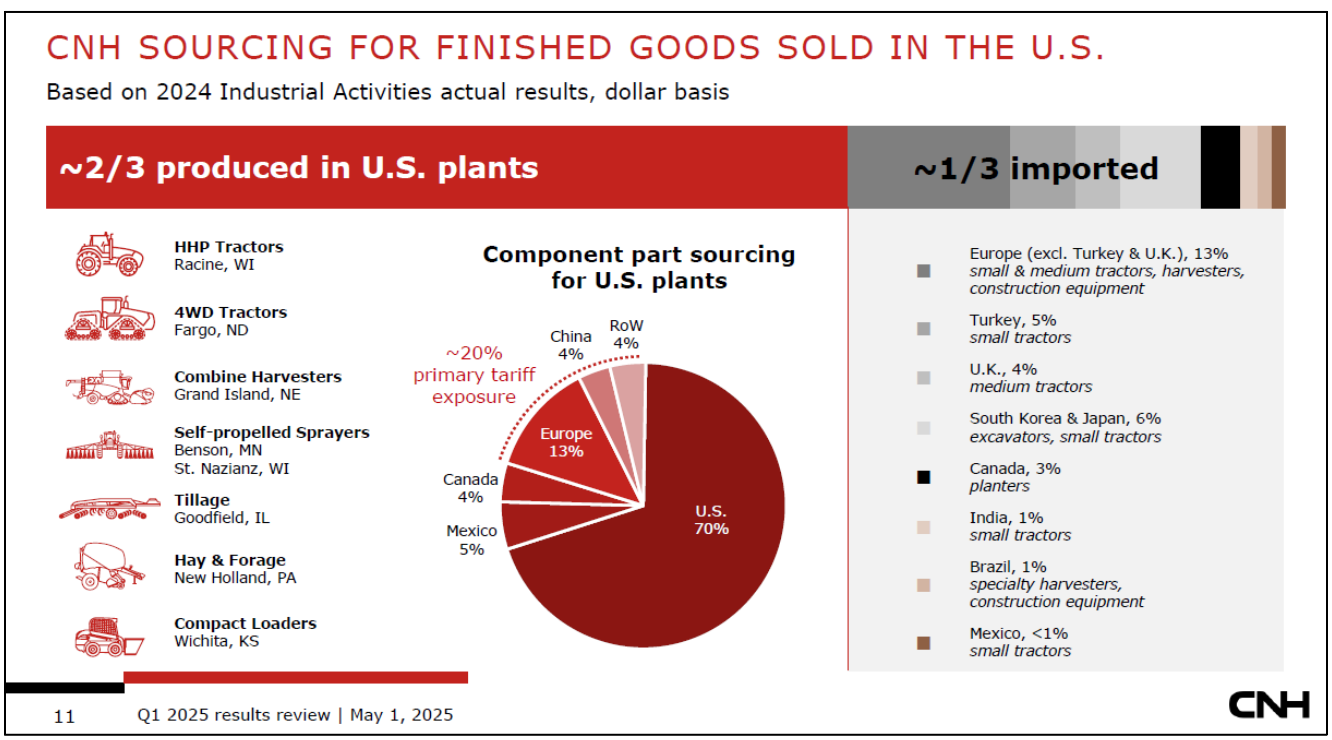
With 80% domestic production Whirlpool is a NET winner of new tariff policies!

Industrials

CAT – Caterpillar ($157.6B, Machinery): Earnings Presentation – 4/30/2025



CNH – CNH Industrial N.V. ($15.3B, Machinery): Industrial Earnings Presentation – 5/1/2025



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DOV – Dover ($24.1B, Machinery): – Earnings Presentation – 4/24/2025

Commentary on the Current Tariff Tumult

Revenue / Cost Bases and Incremental Tariff Exposures (Based on FY 2024 Results)

Tariff data is prior to any cost mitigation, targeted pricing, or strategic share gains

Country / Region	% of '24 Revenue / COGS Base	Incremental Annualized Tariff Estimate
China	5% / 6%	~$175M*
Mexico / Canada	7% / 2%	~$15M
Europe	22% / 30%	~$15M
Rest of World	12% / 6%	~$10M
Incr. Annualized Tariff Estimate (on '24 Base)		**~$215M**

** ~$60M from one insourced product line that is actively being reshored*

Dover is Comparatively Well-Positioned to Manage the Current Environment

- We manufacture in-region, for region. Our cost and revenue bases are largely aligned
- We are a collection of niche operating businesses with agile models and manageable supply chains
- We have a proven execution playbook as evidenced by our outperformance vs. broader industrial markets during the COVID-19 pandemic
- We have an advantaged capital position that serves as a healthy insurance policy while allowing us to opportunistically play offense

10 Note: incremental tariff impact calculated based on 2024 full year exposures and applying tariffs of 145% on China (or 20% on products previously covered under 232 tariffs), 25% on Mexico / Canada (on products that aren't covered by USMCA), and 10% on Europe and the rest of the world.

DOVER

GE – GE Aerospace ($213.4B, Aerospace & Defense): – Earnings Presentation – 4/22/2025

GE Aerospace

Taking action to manage dynamic environment

Actions underway ...

Partially reducing tariff impact by ...

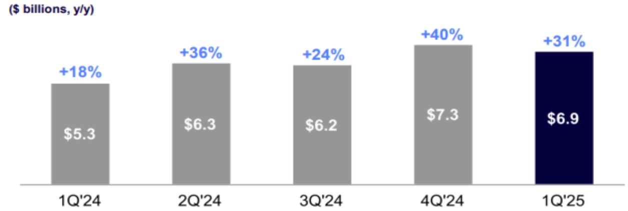
- Optimizing operations
- Leveraging existing programs and strategies

... offsetting remaining ~$(0.5)B cost through:

- Cost controls focused on SG&A, maintaining investments
- Pricing actions

... services backlog remains robust

Commercial services orders
($ billions, y/y)



- 1Q departures[a)] +4%, as planned
- >$140B comm'l services backlog … delivering pent-up demand
- Monitoring demand ... now expecting FY departures[a)] +LSD with slower 2H

(a – GE Aerospace / CFM departures

5

GE Aerospace

Maintaining FY'25 guidance: strong start, robust backlog and actions underway

	2024	2025 Guide
Adjusted revenue growth* *Adjusted revenue**	+10% *$35.1B*	**LDD**
Operating profit* *Op profit margin**	$7.3B *20.7%*	**$7.8B - $8.2B**
Adjusted EPS*	$4.60	**$5.10 - $5.45**
Free cash flow* *FCF* conversion[a)]*	$6.1B *~121%*	**$6.3B - $6.8B** *>100%*

2025 assumptions

Included:

- Impact of announced tariffs net of actions
- '25 departures[b)] +LSD (previously +MSD)
- Delayed spare engine deliveries

Excluded:

- Changes in airframer delivery schedules
- Further tariff escalation
- Global economic recession

Continued confidence in ability to deliver another year of strong results

* Non-GAAP Financial Measure
(a – FCF* conversion: FCF* / adjusted net income*
(b – GE Aerospace / CFM departures

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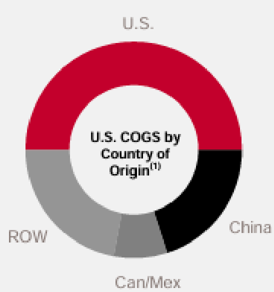
GWW – WW Grainger ($47.6B, Trading Companies & Distributors): Earnings Presentation – 5/1/2025

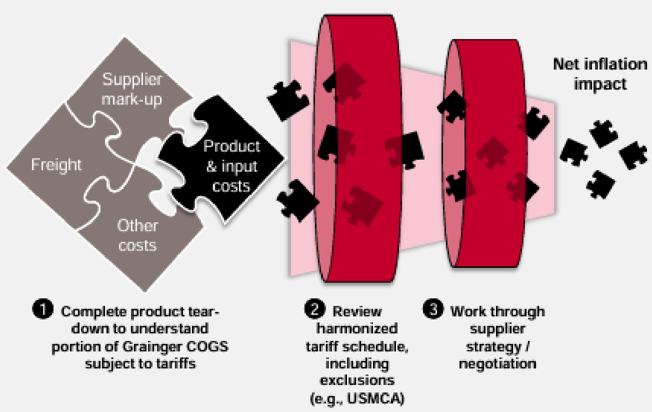
Navigating potential tariff impacts

After normalizing for differences in assortment, believe sourcing mix is at competitive parity



Total COGS not subject to full tariff increase, resulting in lower net inflation impact to Grainger

(for illustrative purposes only)



Confident in ability to manage impact while adhering to core pricing tenets

- Working with suppliers and customers to pass cost / price
  - Passed initial price on certain known cost increases
  - Ability in most customer contracts to pass off-cycle price increases for tariff-related costs
  - Monitoring customer impact
- As with any inflationary cycle, timing of price / cost will be lumpy

GRAINGER (1) Estimated proportional mix of COGS including both HTS-U.S. and Zero-U.S. for LTM as of March 31, 2025.

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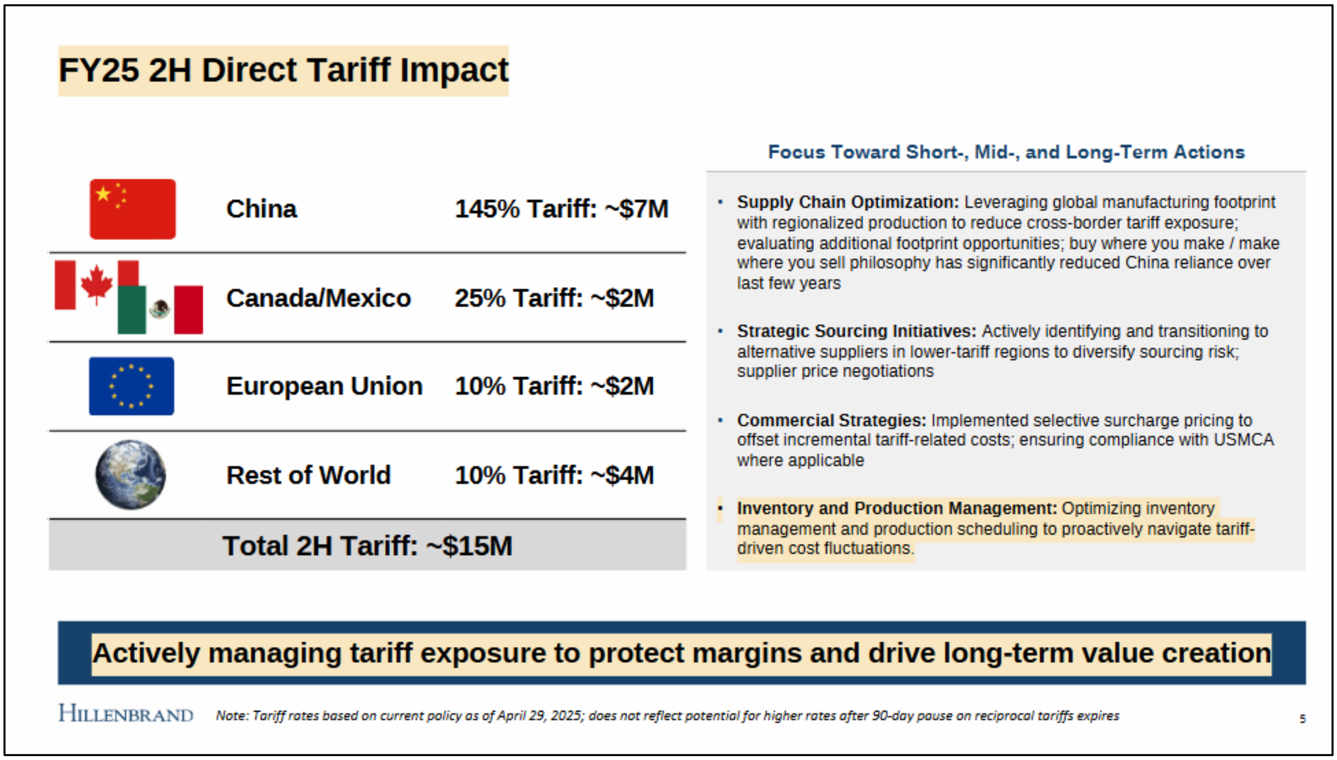
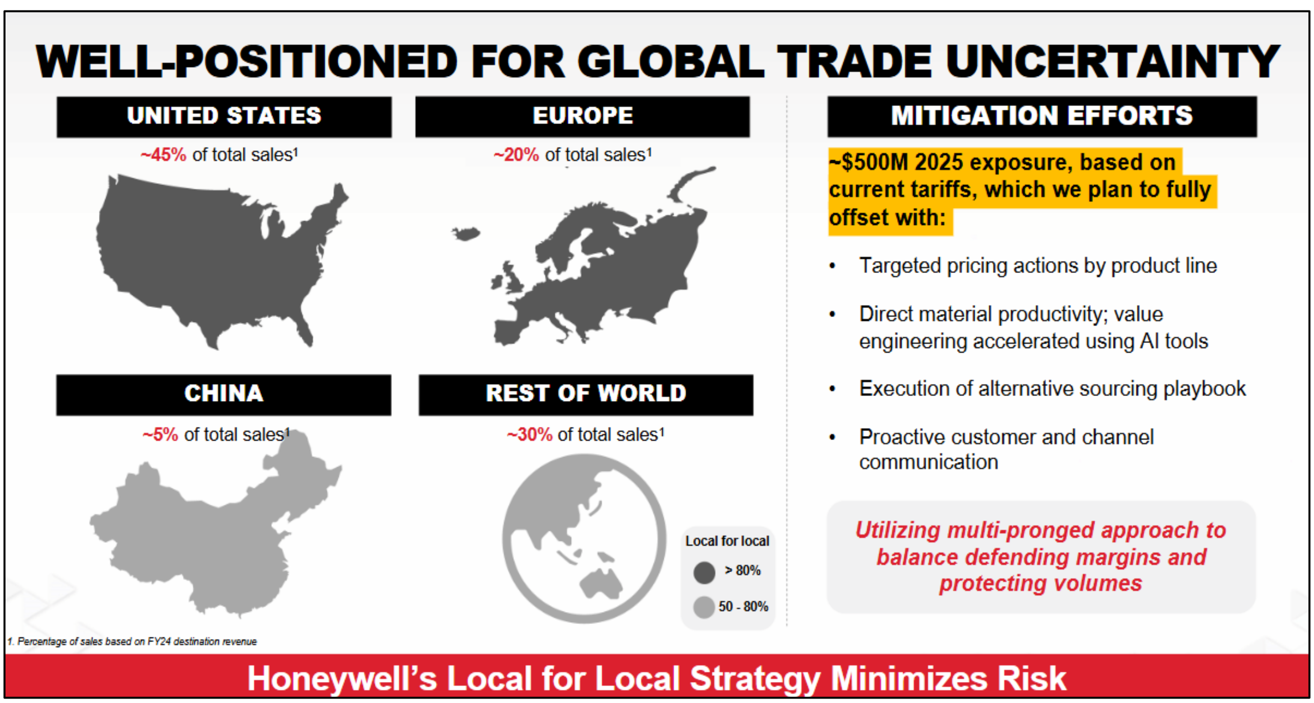
HI – Hillenbrand ($1.7B, Machinery): Earnings Presentation – 4/20/2025



HON – Honeywell International ($136.1B, Industrial Conglomerates): Earnings Presentation – 4/29/2-25



2Q AND FY 2025 OUTLOOK

2Q GUIDANCE

SALES*
$9.8B - $10.1B
Up 1% - 4% Organically*

SEGMENT MARGIN*
22.8% - 23.2%
Down (20) - Up 20 bps

ADJUSTED EPS*
$2.60 - $2.70
Up 4% - 8%

NET BELOW THE LINE IMPACT
($220M - $270M)[2]

Effective tax rate ~17%
Share count ~641M

FY GUIDANCE

SALES
$39.6B - $40.5B
Up 2% - 5% Organically*
Up 1% - 4% ex. BBD[1]

SEGMENT MARGIN*
23.2% - 23.5%
Up 60 - 90 bps
Down (10) – Up 20 bps ex. BBD[1]

ADJUSTED EPS*
$10.20 - $10.50
Up 3% - 6%
Down (1%) - Up 2% ex. BBD[1]

FREE CASH FLOW*
$5.4B - $5.8B
Up 10% - 18%
Down (2%) - Up 5% ex. BBD[1]

2Q AND FY 2025 GUIDANCE ASSUMPTIONS

Inclusions

- All global tariffs enacted with current rates and timing
- Identified demand risk in 2H due to global uncertainty
- Multi-front mitigation efforts that will fully offset incremental costs
- Early May PPE sale ($200M) sales, ($0.02) EPS vs. prior guide[3]

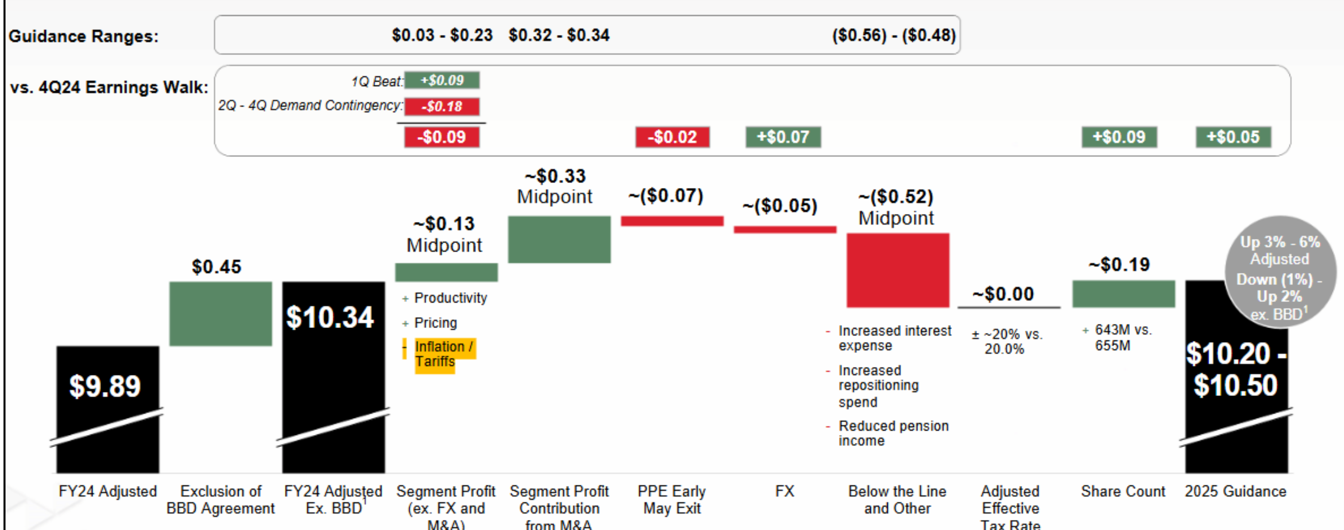
Exclusions

- Future changes to tariffs or economic environment
- Sundyne acquisition, expected to close in the second quarter

** Non-GAAP financial measure*
1. 4Q24 financial results include impact of the Bombardier Agreement announced on December 2, 2024, resulting in a reduction to Sales of $0.4B, Net Income of $0.3B, and Cash Flow of $0.5B.
2. Net below the line impact is the difference between segment profit and income before tax. Impact includes interest and other financial charges, interest income, amortization of acquisition-related intangibles, stock compensation expense, pension ongoing income, other postretirement income, amortization of acquisition-related intangibles, certain acquisition- and divesture-related costs and impairments, and repositioning and other charges.
3. Prior 2025 guidance assumed a mid-year close of the sale of our PPE business. Accelerated closing reduces 2Q and FY Sales and Adj. EPS guidance by ($200M) and ($0.02), respectively.

Raising Midpoint of EPS Guidance

2025 EARNINGS PER SHARE BRIDGE



1. Financial results include impact of the Bombardier Agreement announced on December 2, 2024, resulting in a reduction to Sales of $0.4B, Net Income of $0.3B, and Cash Flow of $0.5B.

Segment Profit Growth Offset by Below the Line Items, Economic Uncertainty

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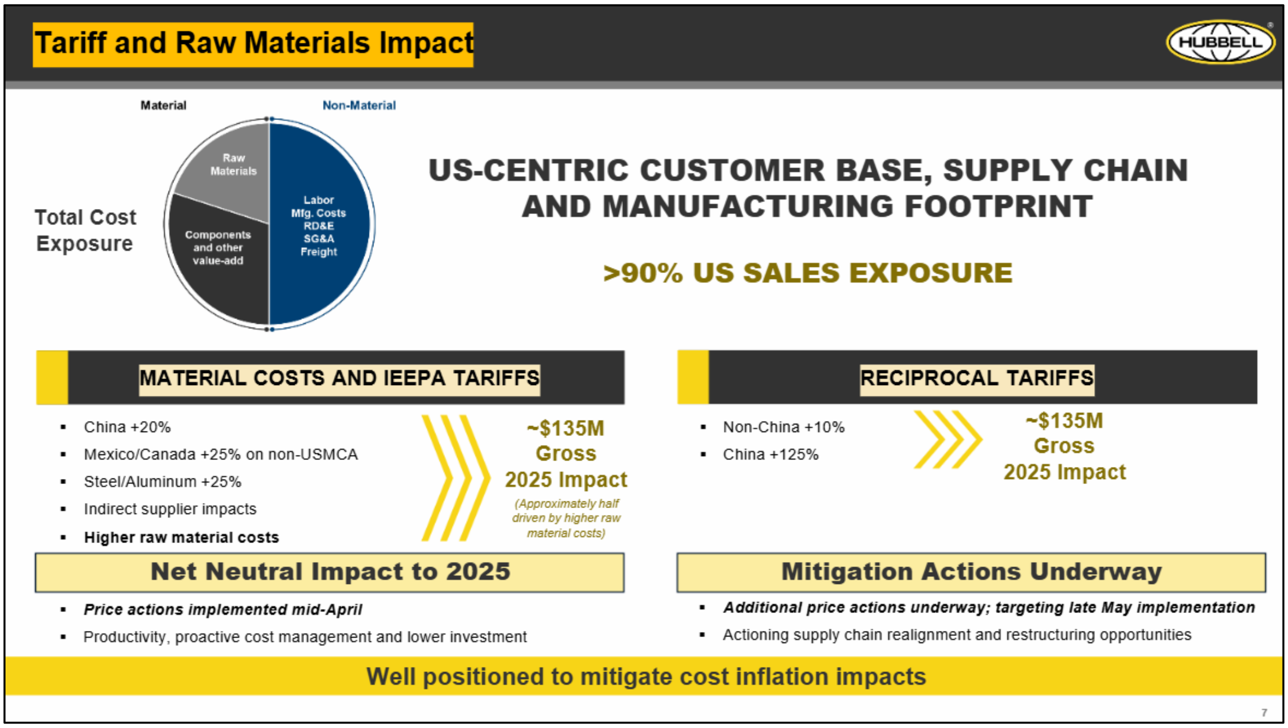
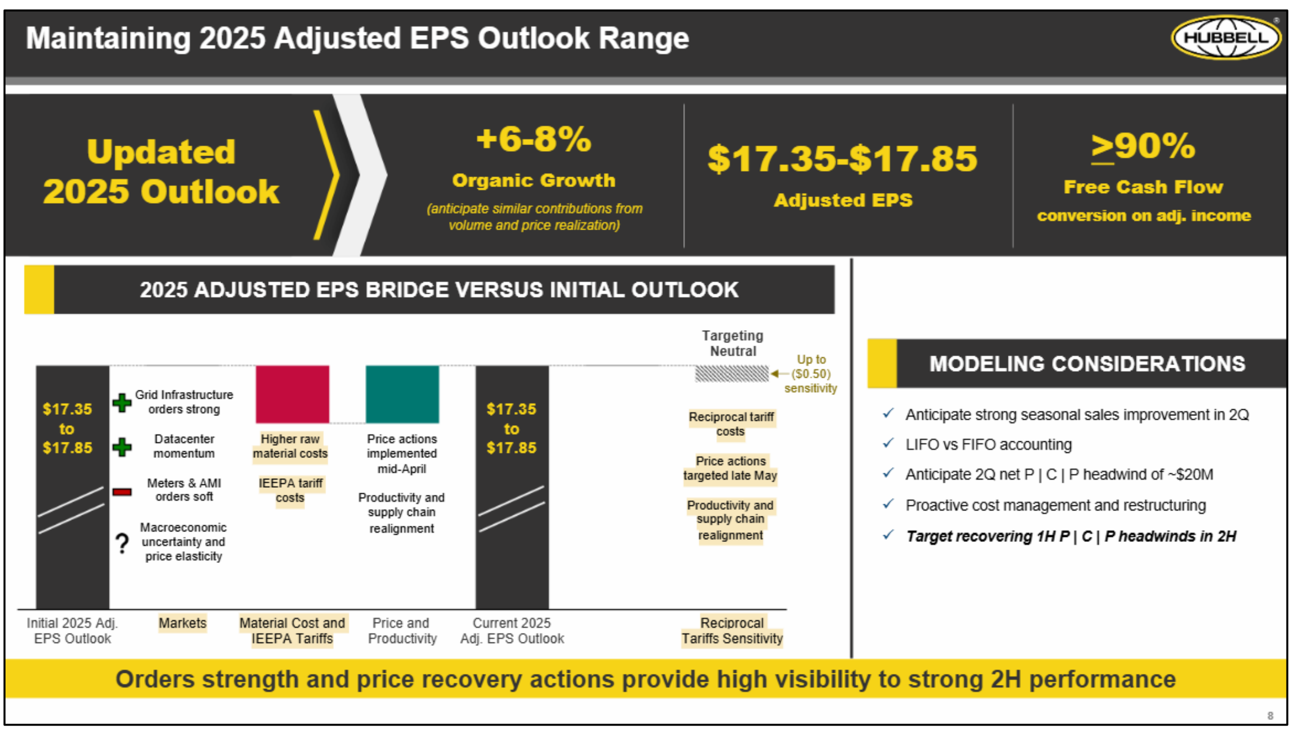
HUBB – Hubbell ($17.7B, Electrical Equipment): Earnings Presentation – 5/1/2025





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IEX – IDEX ($13.7B, Machinery): Earnings Presentation – 5/1/2025

Implications of Current Tariff Exposures

IDEX is Advantaged to Manage Tariff Impacts

- Tariff induced pricing actions adding 3-4% to sales on an annualized basis
- Tariff-related inflation expected to be 5-6% of Cost of Goods Sold
- Predominantly manufacture local for local
- Mission-critical products tied to niche application sets
- Agility in resource reallocation and flexible manufacturing footprint
- Long-term customer relationships
- Leveraging scale to drive sourcing savings
- Taking additional cost measures to mitigate potential impacts on demand

Annualized Tariff Estimates[1]	
China	~$80M
European Union	~$5M
Mexico / Canada*	~$0M
Rest of World	~$5M
Other Steel & Aluminum	~$10M
Total Annualized Tariff Impact	**~$100M**

(1) Tariff estimates represent incremental cost to IDEX prior to any mitigation actions

** On products that are not covered by USMCA*

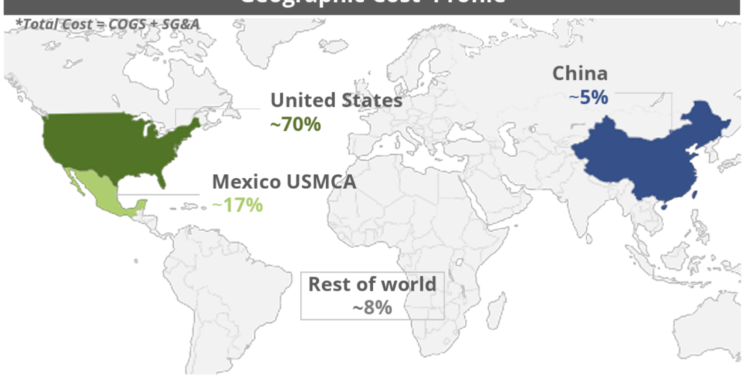
IDEX CORPORATION

10

LII – Lennox International ($19.9B, Building Products): Earnings Presentation – 4/23/25

ECONOMIC OUTLOOK

Geographic Cost* Profile



Tariff Mitigation Plans

- Optimize vendor dual sourcing
- Mexico transfer pricing
- Tariff sharing with vendors
- Single sourced suppliers to US
- Select production move to the US
- Increase US production capacity

-- Pricing and Surcharges to mitigate impact of tariffs --

HOME COMFORT SOLUTIONS

- Higher costs & inflation driven by tariffs
- New home construction impacted by higher mortgage rates
- Uncertain consumer confidence
- Potential repair vs replace shift
- Industry technician shortage

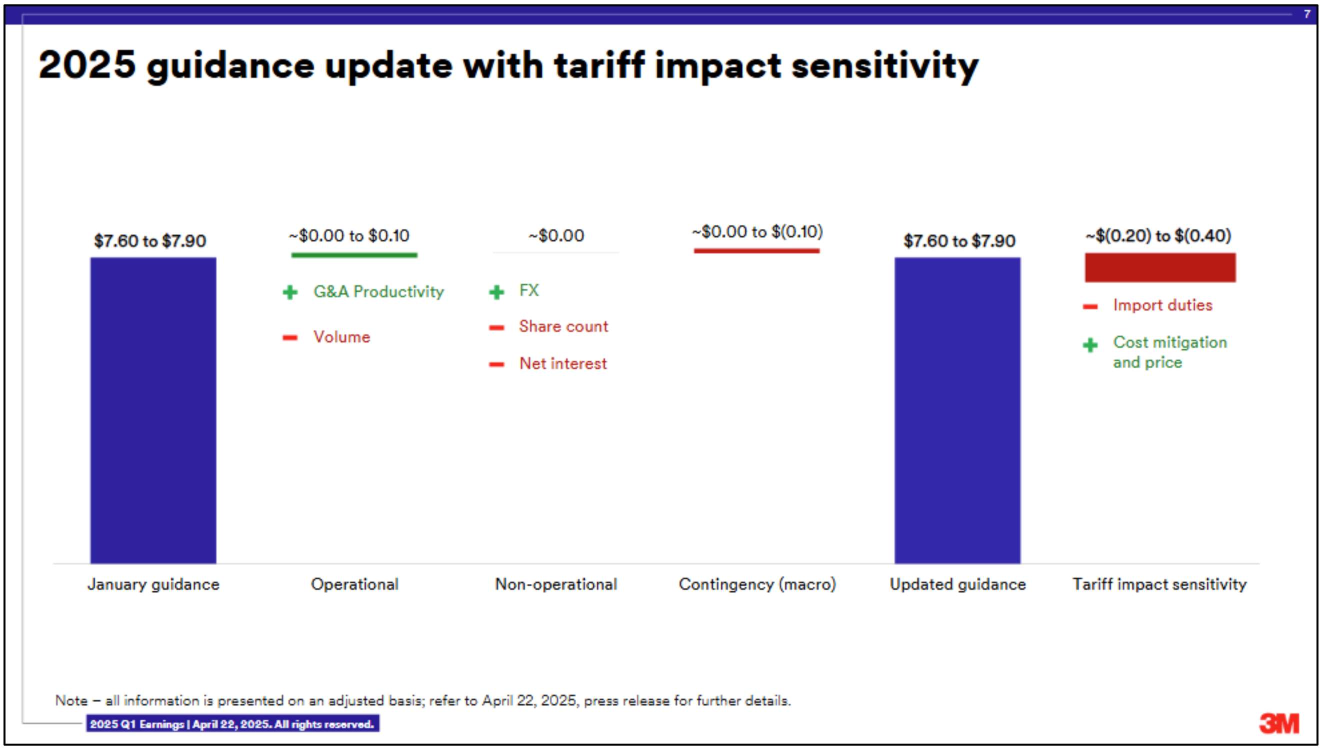
BUILDING CLIMATE SOLUTIONS

- Order rates improved throughout Q1
- Deploying inventory for Emergency Replacement demand
- Leveraging full lifecycle service offerings
- Slowing new construction, project delays

Integrity | Respect | Excellence

LENNOX It's in the Air 4

MMM – 3M ($79B, Industrial Conglomerates): Earnings Presentation – 4/22/2025



OTIS – Otis Worldwide ($40.8B, Machinery): Earnings Presentation – 4/23/2025

Appendix

Tariff impact and exposure

	Annual purchases	Incremental Annual impact
U.S. imports from China	Section 232 ~$50M Reciprocal ~$50M	~ $90M
U.S. imports from Rest of the World	Canada / Mexico largely covered under USMCA; RoW 10% reciprocal	~ $10M
China imports from U.S.	Not material	

Mitigating actions

Mitigation actions underway:

- Customer & supply chain negotiations
- US. supply chain localization
- Contract language protection

Evaluating long-term strategies:

- Production localization for select products
- International sourcing changes

Tariff impact of ~$60 million in 2025 from current backlog, included in outlook

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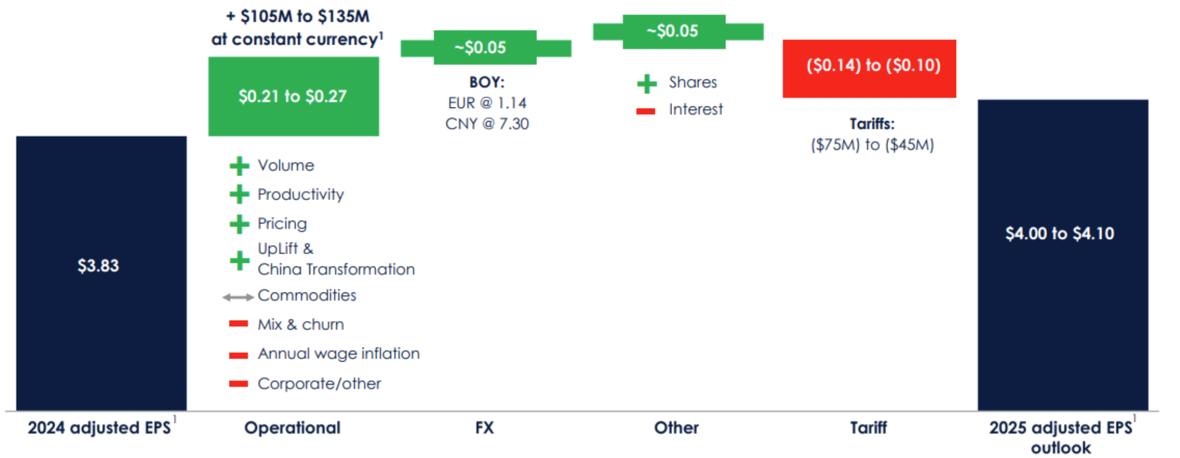
2025 adjusted EPS[1] growth outlook drivers



Guide unchanged… 4% to 7% adjusted EPS[1] growth

1 See appendix for additional information regarding these non-GAAP financial measures.

2025 financial outlook

	Prior outlook (Jan 29, 2025)	Current outlook
Constant currency adj. op profit[1] ex-2025 tariffs	up $120M to $150M	up $105M to $135M
Actual currency adj. op profit[1] with 2025 tariffs	up $55M to $105M	up $55M to $105M
Total adjusted operating profit[1] margin	up ~60 bps	up ~50bps (ex-2025 tariffs) up ~10bps (with 2025 tariffs)
Adjusted free cash flow[1,2]	~$1.6B	~$1.6B
Share repurchases	~$800 million	~$800 million

1 See appendix for additional information regarding these non-GAAP financial measures.
2 Expected annual tax related toll charge payments are anticipated to conclude in 2026: 2024 $50M, 2025E $50M, 2026E $60M.

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PNR – Pentair ($14.4B, Machinery): Earnings Presentation – 4/22/2025

Tariff Impact & Actions Taken to Mitigate Risk

PENTAIR ESTIMATED TARIFF IMPACT INCLUDED IN 4/22/25 GUIDANCE

CHINA	145% Tariff: ~$100 million China retaliatory @ 125%: ~$15 million
MEXICO	25% Tariff: ~$5 million *(~90%+ qualifies under USMCA)*
EUROPEAN UNION	10% Tariff: ~$5 million
REST OF WORLD	10% Tariff: ~$10 million
OTHER: STEEL & ALUMINUM	~$5 million
TOTAL ESTIMATED TARIFF IMPACT*	**~$140 million**

ACTIONS TAKEN TO ADDRESS TARIFFS*

- Implemented price increases beginning April 1st across our two-step distribution channel reflecting ~75% of our sales; majority of remaining 25% is OEM/Projects and is mostly "local for local"
- Capping orders to manage supply chain, inventory & production
- Approximately 90%+ of goods imported from Mexico qualify under USMCA
- Over the last three years, we have lowered our reliance on China for supply and production

**Estimated tariff impact and actions as of April 21, 2025*

18 Q1 2025 Earnings Release PENTAIR

RTX – RTX ($177B, Aerospace & Defense): Earnings Presentation – 4/22/2025

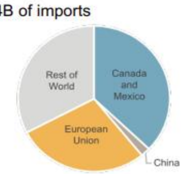
RTX 2025 tariff environment

BACKDROP

Strong U.S. industrial base
- ~70% of employees
- ~65% of product spend
- Majority of labor manufacturing hours

Investment in the U.S.
- ~$10B over last 5 years in facility expansion and modernization
- ~$2B additional planned in 2025

$12B of net exports in 2024
- ~$26B of exports
- ~$14B of imports



2024 Imports

POTENTIAL DIRECT IMPACTS[1]

Tariff Category	Operating Profit Impact
Canada and Mexico	~$250M
China / Tariffs from China	~$250M
Global Reciprocal	~$300M
Steel and Aluminum	~$50M

ASSUMPTIONS
- Tariffs remain in place for rest of year
- Canada and Mexico at 25%
- China at 145% / Tariffs from China at 125%
- Global reciprocal at 10%
- Steel and aluminum at 25%

MITIGATIONS INCLUDED
- Military duty free
- USMCA
- Temporary imports under bond
- Drawbacks
- Free trade zones
- Operational and contractual actions

[1]At rates noted in the assumptions; represents direct tariff cost impacts and does not include changes in customer buying behavior or operational and supply chain disruptions

4

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TKR – Timken ($5B, Machinery): Earnings Presentation – 4/30/2025

Tariffs and Estimated Impact on Timken

19

Overview

- Timken is a U.S.-based global manufacturer; our largest sales and manufacturing base is in the U.S.
  - Positions the company well relative to competitors
- The company has manufacturing operations in all 3 geographic regions (Americas, EMEA, Asia-Pac), and we strive to manufacture "in region for region"
  - Timken serves the U.S. market primarily from its U.S. footprint
  - Same for China
- In 2024, Timken imported less than $400M of products, components and supplies into the U.S. from all countries
  - China, Mexico and Canada collectively represented less than 50% of that value
  - Under $80M imported from China

Estimated impact on 2025 Results

- The company estimates a gross, unmitigated annualized cost impact from tariffs currently in place of ~$150M
- Mitigation tactics (pricing/surcharges, sourcing/supply chain initiatives, etc.) should fully offset this cost impact on a run-rate basis by the end of 2025
- Currently assuming a net full-year headwind of $25M driven by timing, mostly impacting 2Q and 3Q-25
- *Note: gross impact reflects tariff rates in effect as of April 29, 2025; net impact is after estimated pricing/mitigation tactics and inventory capitalization impact*

TIMKEN

2025 Adj. EPS Outlook Bridge

(Based on Midpoint of Guidance Ranges)

20

Adj. EBITDA Margin: 18.5%*

Adj. EBITDA Margin: mid/high-17's%*

*Based on midpoint of guidance range
**Organic (net) reflects the net impact of organic volume, including manufacturing cost absorption impact, and price/mix (pre-tariff pricing)
***Other (net) is the net impact from "below-the-line" items (e.g., interest), rounding and modest accretion from the CGI acquisition
EPS outlook does not include the impact of any potential future mark-to-market pension remeasurement adjustments or other unplanned special items.
See appendix for reconciliations of adjusted EPS to its most directly comparable GAAP financial measure.

TIMKEN

VMI – Valmont Industries ($5.7B, Construction & Engineering): Earnings Press Release – 4/22/2025

Reaffirming 2025 Full-Year Financial Outlook and Key Assumptions

The Company is reaffirming its full-year 2025 financial outlook, including projected net sales and diluted earnings per share, and updating key assumptions for the year.

Metric	2025 Outlook
Net Sales	$4.0 to $4.2 billion
Infrastructure **Net Sales**	$3.02 to $3.16 billion
Agriculture **Net Sales**	$0.98 to $1.04 billion
Diluted Earnings per Share	$17.20 to $18.80
Capital Expenditures	$140 to $160 million
Effective Tax Rate	~26.0%

Key Assumptions, Including Current Tariff Considerations

- Steel cost assumptions are aligned with futures markets as of April 21, 2025
- The Company's fiscal 2025 outlook reflects its current plans and actions underway to mitigate the direct impacts of the following *U.S.* import tariffs and reciprocal tariffs, as well as retaliatory tariffs from other countries that are in place as of April 18, 2025.
  - 25% Section 232 (steel and aluminum)
  - Section 301 (*China* – rates vary by good/product)
  - 20% China General
  - 125% China Reciprocal
  - 10% Other Countries Reciprocal, as well as paused reciprocal tariffs
  - 25% Canada Retaliatory (certain imported *U.S.* goods)
  - 125% China Retaliatory (imported *U.S.* goods)
  - 25% *Mexico* and Canada General
- The Company believes its mitigation plans will enable it to be cost neutral on a dollar basis in fiscal 2025
- This outlook does not reflect the potential impact of any future revised or additional *U.S.* tariffs, or future retaliatory measures from other countries

VRT – Vertiv Holdings ($27.5B, Electrical Equipment): Earnings Presentation – 4/23/2025

Tariff Environment and Mitigation Actions

Exposure	Current State	Future State (actions underway)
U.S. Capacity	Existing capacity already addresses meaningful portion of U.S. demand, and capacity to support growing demand	Continue to invest in expansion of U.S. capacity and supply chain capabilities
Mexico	Majority of supply from Mexico already USMCA qualified with capacity to support growing demand	Driving towards 100% USMCA qualification goal for Mexico-based supply chain
China	Single-digit percent of supply for U.S. factories is sourced from China with a mature China +1 supply chain strategy in place	Further rebalancing of global supply chain by sourcing from no- or low-tariff countries
Rest of World	U.S. supply from outside North America & China already in low-tariff countries with primary source being EMEA	Continue to relocate production to no- or low-tariff countries and further leverage U.S. manufacturing footprint

- Working with our customers, pricing actions have been taken and more are being implemented
- Anticipating a general inflationary environment from tariffs. This is contemplated in financial guidance
- Resiliency of our operations and supply chain allows us to implement mitigating actions to reduce tariff impact

Current operational state much stronger than three years ago with actions underway to further mitigate tariff exposure

Note: Assumes tariff rates active on April 22, 2025, are maintained for remainder of 2025, as explained further in the note on page 3 of this presentation.

VERTIV. Q1 2025 Earnings 5

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VRT – Vertiv Holdings ($27.5B, Electrical Equipment): Earnings Press Release – 4/23/2025

Updated Full Year and Second Quarter 2025 Guidance

The data center market continues to show robust momentum as evidenced by our pipeline growth and strong AI-driven demand. The company continues to invest in ER&D and capacity expansion to support the growing needs of the industry, particularly in AI infrastructure deployments. The tariff situation remains fluid, but we are proactively working to mitigate the impact with supply chain countermeasures, production flexibility and commercial actions. Our guidance reflects the potential impacts of the tariff rates existing as of April 22, 2025, and assumes those rates continue throughout 2025[(2)]. Our guidance reflects this assumption as well as our estimates of likely outcomes, based on current information and the planned countermeasures we expect to implement.

	Second Quarter 2025 Guidance[(2)]
Net sales	\$2,325M - \$2,375M
Organic net sales growth[(3)]	*19% - 23%*
Adjusted operating profit[(1)]	\$420M - \$450M
Adjusted operating margin[(3)]	*18.0% - 19.0%*
Adjusted diluted EPS[(1)]	\$0.77 - \$0.85

	Full Year 2025 Guidance[(2)]
Net sales	\$9,325M - \$9,575M
Organic net sales growth[(3)]	*16.5% - 19.5%*
Adjusted operating profit[(1)]	\$1,885M - \$1,985M
Adjusted operating margin[(3)]	*19.75% - 21.25%*
Adjusted diluted EPS[(1)]	\$3.45 - \$3.65
Adjusted free cash flow[(3)]	\$1,250M - \$1,350M

(1) This release contains certain non-GAAP metrics. For reconciliations to the relevant GAAP measures and an explanation of the non-GAAP measures and reasons for their use, please refer to sections of this release entitled "Non-GAAP Financial Measures" and "Reconciliation of GAAP and non-GAAP Financial Measures."

(2) Our guidance reflects the currently expected impacts of the tariff rates active as of April 22, 2025, assuming such rates remain constant through year-end. For purposes of this earnings release and accompanying information, tariff rates active on April 22, 2025, include (but are not limited to): existing Chapter 1-97 tariffs; Section 301 tariffs; IEEPA tariffs (20% *China*; 25% *Mexico / Canada*; 0% USMCA); Section 232 Steel and Aluminum tariffs (25%); and Reciprocal tariffs (125% *China*; 10% Rest of World; and exceptions for Section 232 and *Mexico / Canada* goods).

(3) This is a forward-looking non-GAAP financial measure that cannot be reconciled without unreasonable efforts for those reasons set forth under "Non-GAAP Financial Measures" of this release.

Energy

BKR – Baker Hughes Company ($43.5B, Energy Equipment & Services): Earnings Presentation – 4/22/25

GUIDANCE FRAMEWORK 12

Tariff Impact, FY'25 Framework & 2Q'25 Guidance

Tariff Impact

BKR

- Estimated **\$100M - \$200M** potential net impact to consolidated 2025 EBITDA[1]
- Monitoring **secondary trade policy effects** on GDP, energy demand and customer behavior

OFSE

- OFSE revenue **~80% outside the U.S.**
- Benefit from **U.S. manufacturing footprint** for domestic sales
- **Some cost headwinds** tied to imports

IET

- **Manageable Industrial Tech exposure** to US-China trade
- **Limited tariff risk for equipment backlog** given contractual terms
- Mitigation initiatives and productivity gains expected to **largely offset impact**

FY'25 Framework

BKR

- Trade policy & tariff uncertainty **introduces high degree of variability**
- **Tempered outlook** for the company in 2025
- Assumes oil price **stable at current levels**

OFSE

- **International / NAM spending:** down mid-to-high single digits / low-double digits
- Continual cost efficiency drives **margin improvement**
- Wider range of **potential outcomes**

IET

- Full-year **guidance still achievable**
- FY'25 Guide: **Orders**: \$12.5B - \$14.5B, **Revenue**: \$12.4B - \$13.1B, and **EBITDA**: \$2.2B - \$2.4B
- IET offers **greater visibility**

2Q'25 Guidance

BKR[2]	
REVENUE (\$M)	6,300 – 7,000
Adj. EBITDA (\$M)	1,040 – 1,200
OFSE	
REVENUE (\$M)	3,300 – 3,700
EBITDA (\$M)	600 - 700
IET	
REVENUE (\$M)	3,000 – 3,300
EBITDA (\$M)	520 – 580
OTHER	
CORPORATE COSTS (\$M)	Approx. 80
D&A (\$M)	Approx. 285

1. Impact to consolidated EBITDA assumes the following: 1) impact based on tariff rates applied during 90-day pause 2) these rates remain in place through year end 2025. 3) includes assumed mitigation actions. 4) Does not account for the potential impact of retaliatory tariffs or other tariffs that are not currently in place.
2. Adj. EBITDA is a non-GAAP measures – see appendix for GAAP to non-GAAP reconciliations. Management cannot reliably predict or estimate, without unreasonable effort, the impact and timing on future operating results arising from items excluded from Adj. EBITDA. We therefore do not present a guidance range or reconciliation to the nearest GAAP financial measure.

Baker Hughes

Materials

AVY – Avery Dennison ($14B, Containers & Packaging): Earnings Presentation – 4/23/2025

Proven track record of delivering strong results across range of macro environments

Strength and durability of franchise provide multiple levers to deliver in various scenarios

- Competitively advantaged: #1 position in 80%+ of our portfolio; global scale and footprint; innovation leadership; high-value categories that provide differentiated growth potential
- Materials Group has demonstrated strong resilience through and across cycles
- Solutions Group less cyclical than previous downturns (~33% non-apparel in 2024 vs. ~10% in 2019)
- Strong balance sheet with ample capacity and disciplined approach to capital allocation

Direct impact from recent tariffs manageable; indirect impact more uncertain

- Direct impact to total material cost LSD; implementing sourcing and pricing actions to largely mitigate
- Macro uncertainty elevated, outlook for global GDP growth has reduced
  - ~5% of total company revenue linked indirectly to Chinese exports to U.S., largely apparel-related

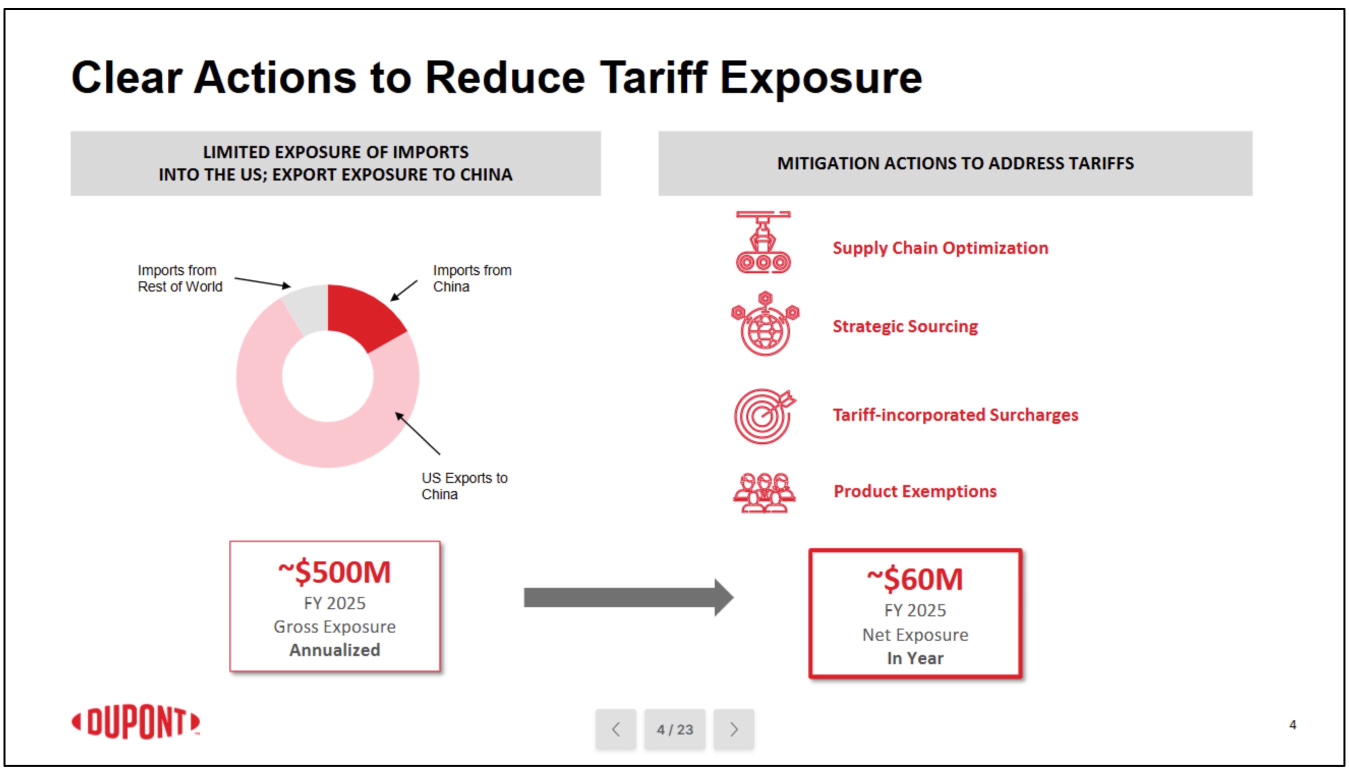
Initiating proven playbook to maximize opportunities and protect earnings in multiple scenarios

- Demonstrated ability to drive productivity in lower volume environment
- Identifying share gain opportunities, activating temporary belt-tightening actions, and identifying trigger points for additional structural actions

Shifting to quarterly from full-year guidance due to macro uncertainty; expect Q2 adj. EPS of $2.30 to $2.50

April 23, 2025 Preliminary & unaudited, Q1 2025 financial review and analysis 6

DD – DuPont de Nemours ($31.3B, Chemicals): Earnings Presentation – 5/2/2025



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IP – International Paper ($28.2B, Containers & Packaging): Earnings Presentation – 4/30/2025

Well Positioned to Navigate Macroeconomic Uncertainties

2025 Original Plan	2025 Current View
Solid US economy, Europe improving	Softer industrial production driven by weaker consumer sentiment Includes no additional tariff impacts
1% to 1.5% market demand growth NA Soft demand in EMEA, but improving	NA market demand flat to down ~1.5% YoY EMEA flat YoY 1H, improving 2H
NA Box closes volume gap to market by 4Q	Plan on track
Realization of announced sales price increases	Plan on track
Significant cost out	Plan on track
DS Smith 80/20 initiatives & synergy ramp up	Plan on track
Moderate input cost inflation	Input cost stable
Adj. EBITDA[1] Range $3.5B to $4B	On track within adj. EBITDA Range

Downside Risk & Mitigation
Economic recession US / Europe Tariffs / Trade Wars / Stagflation
Additional 2% demand decline 2H'25

Mitigation Opportunities

- Adjust supply w/ customer demand
- Accelerate cost out
- Reduce spending & working capital
- Optimize CapEx based on demand
- Strong Balance Sheet & Liquidity
- $1.2B cash on hand as of 3/31/25

International Paper

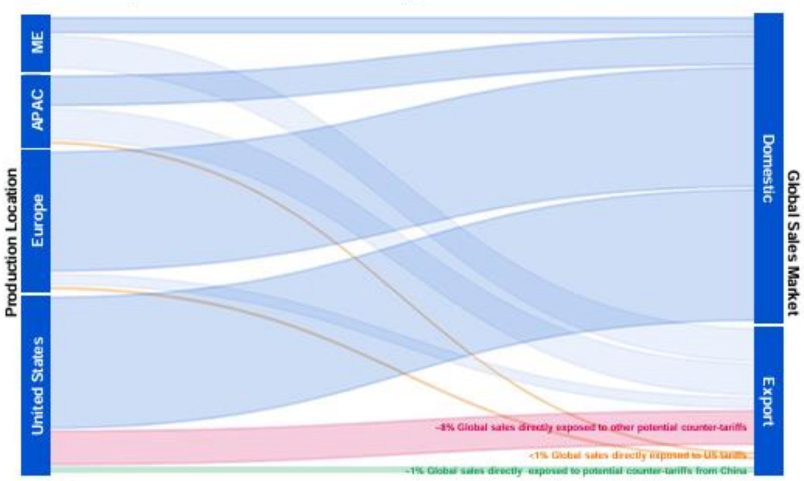
First Quarter 2025 Earnings 4/30/2025

LYB – Lyondellbasell Industries N.V. ($22.7B, Chemicals): Earnings Presentation – 4/25/25

LYB global supply network provides tariff optionality

Less than 10% of polyolefin sales volumes directly impacted by escalating tariffs

LYB 2024 global PE+PP sales volumes by destination



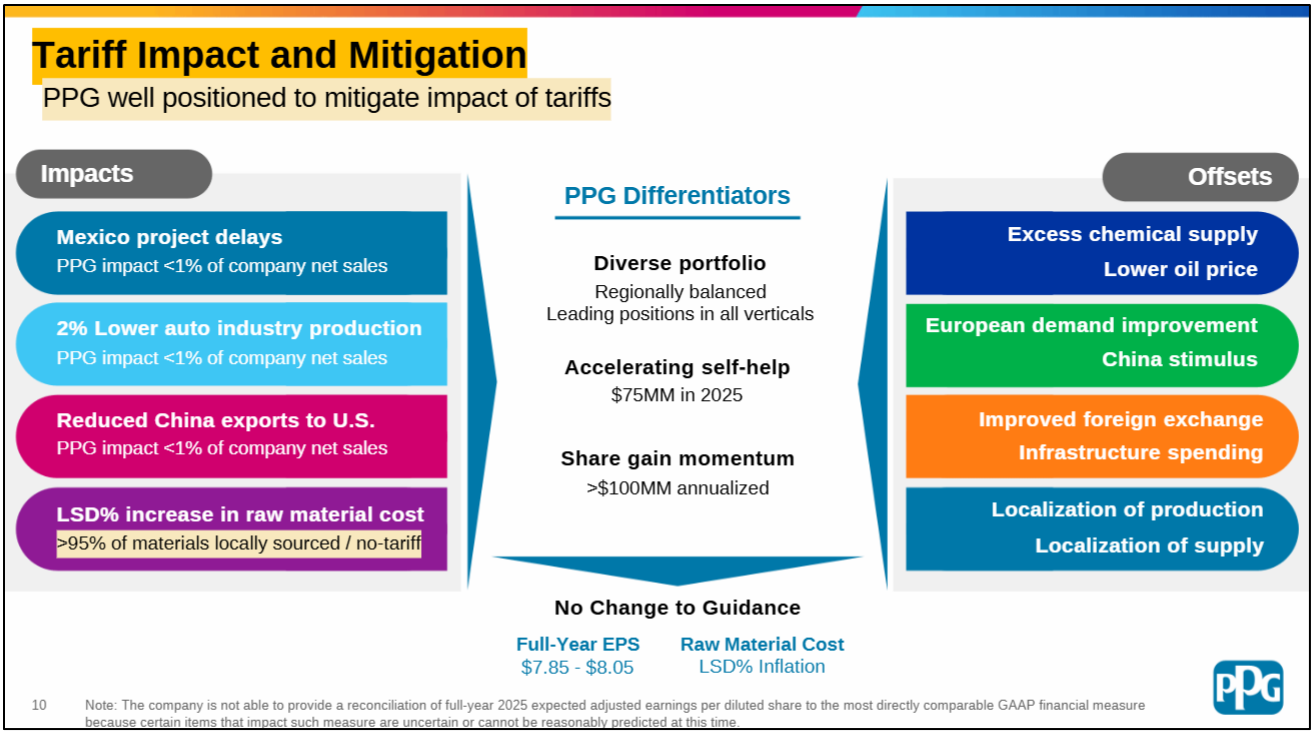
LYB is well-positioned to navigate tariff uncertainty

- Approximately 75% of LYB global polyolefin production is sold in domestic markets
- LYB U.S. PE domestic market share typically 10 percentage points higher than industry
- Second-order tariff impacts mitigated through source and market flexibility enabled by global footprint
- World-leading cost-advantaged feedstock positions from U.S. and Middle East production
- Direct impact from escalating tariffs limited to <10% of polyolefin sales volume
- Near-term disruptions as supply chains adapt to volatile trade policies

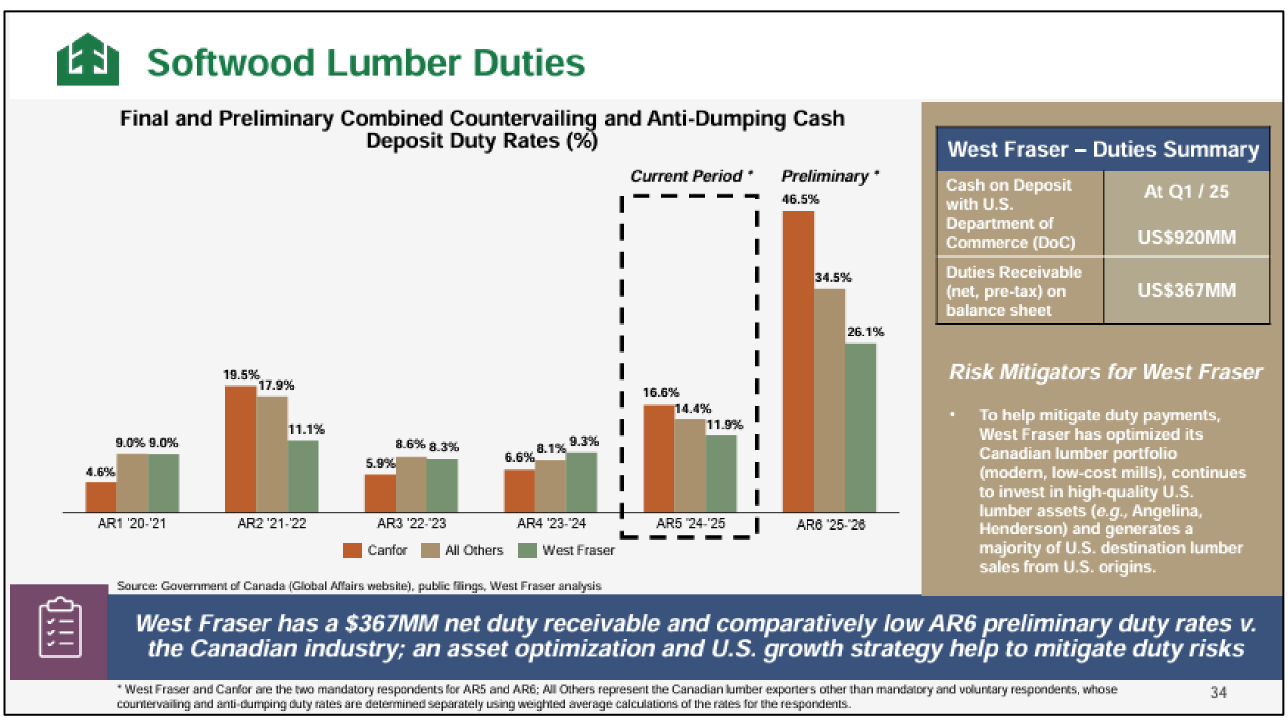
LYB

5

PPG – PPG Industries ($24.8B, Chemicals): Earnings Presentation – 4/30/2025



WFG.CN – West Fraser Timber ($6.1B, Paper & Forest Products): Earnings Presentation – 4/22/2025



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Utilities

CMS – CMS Energy ($22.5B, Multi-Utilities): Earnings Presentation – 4/24/2025

CMS Energy is Well-Positioned . . .

CMS ENERGY

Sector Top of Mind	Risk Mitigants
Tariff Impacts	✓ ~90% of supply chain domestically sourced with broad vendor redundancy ✓ Manageable inflationary impacts skewed toward capital ✓ ~95% –100% of gas supply domestically sourced ✓ No imported electricity from Canada / net exporter into MISO
Potential IRA Repeal	✓ Strong industry and bipartisan congressional support for the IRA ✓ 2023 MI Energy Law provides support for renewables and operational/financial flexibility
Industrial Recession Risk	✓ Auto sector only represents ~2% of total gross margin (including tier I & II suppliers) ✓ Top 10 customers combined represent ~2½% of total gross margin ✓ Grand Rapids is in the heart of our electric service territory with strong diversified commercial & industrial load

. . . to weather the challenging operating environment.

5

Financials

MCO – Moody's ($83.8B, Capital Markets): Earnings Presentation – 4/22/2025

MIS: macroeconomic assumptions underpinning our full year 2025 outlook[1]

MACROECONOMIC ASSUMPTIONS

- → **Real GDP[2]:** U.S.: 0.0% - 1.0%; Euro area: 0.0% - 1.0%; Global: 1.0% - 2.0%
- → **Global policy rates:** expecting two cuts from U.S. Fed in 2H25. Other Central Banks to maintain easing bias
- → **U.S. high yield spreads** to widen to around 460 bps over the next 12 months, close to historical average of around 500 bps
- → **U.S inflation rate** to average around 3.5% - 4.5%; **Euro area economies' inflation rate** to average around 2.0% - 2.5%
- → **U.S. unemployment rate** to average around 4.0% - 5.0% during 2025
- → **Global high yield default rate** to decline to 3.1% by end-2025
- → **FX rates** of $1.29 and $1.08 for GBP/USD and EUR/USD, respectively, for the remainder of the year

TAILWINDS

- ✓ ~$4.9T of refinancing needs between 2025 and 2028
- ✓ Global GDP growth, albeit slowing
- ✓ Investor demand remains for higher-rated credits

HEADWINDS

- ✗ Inflationary concerns and uncertainty regarding tariff and international trade and economic policies
- ✗ Elevated funding costs and moderating M&A
- ✗ Geopolitical uncertainty, including the prolonged Russia-Ukraine military conflict, and the military conflict in the Middle East

Sources: GDP, policy rates and inflation assumptions as of April 22, 2025, from Moody's Investors Service. High yield spreads, unemployment and default rate assumptions sourced from Moody's Investors Service "March 2025 Default Report," published April 16, 2025.

1. Guidance as of April 22, 2025. Refer to Table 12 – "2025 Outlook" in the press release titled "Moody's Corporation Reports Results for First Quarter 2025" from April 22, 2025, for a complete list of guidance, and refer to page 7 – "Assumptions and Outlook" for a list of the assumptions used by the Company with respect to its guidance.

corbin

SYF – Synchrony Financial ($20.1B, Consumer Finance): Earnings Presentation – 4/22/2025

Baseline outlook

Baseline economic assumptions:

- No deterioration in macroeconomic environment
- No changes to PPPCs already implemented
- No impact to consumer behavior from tariffs

Key drivers	FY 2025 Original	FY 2025 Revised	Commentary
Period-end loan receivables growth	Low single digit growth	✓	- Purchase volume growth reflects the impact of credit actions and selective consumer behavior - Payment rate generally in-line with 2024
Net revenue	$15.2 – $15.7bn	✓	- Follow normal seasonal trends, adjusted for the following: – Growth in I&F and Other income[1], as the impact of our PPPCs builds partially offset by lower average benchmark rates and lower late fees – Lower funding cost due to lower benchmark rates as CD maturities reprice partially offset by lower yielding investment portfolio
RSA as % of average loan receivables	3.60 – 3.85%	3.70 – 3.85%	- RSA increasing as program performance improves, driven by declining Net charge-offs and increasing impact of our PPPCs
Net charge-offs	5.8 – 6.1%	5.8 – 6.0%	- Generally follow seasonal trends in 2H - Improved range reflecting impact of credit actions
Efficiency ratio	31.5 – 32.5%	✓	- Remain focused on driving operating leverage

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(1) Growth in Other income excluding Pets Best gain on sale impact in 1Q24.

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Real Estate

WELL – Welltower ($99.8B, Health Care REITs): Earnings Presentation – 4/29/2025

Current Macroeconomic Conditions Exacerbating Construction and Financing Challenges

Seniors housing supply likely constrained through 2030+

Considerations Impacting Development Economics

Inflation: De-globalization, Tariffs, and Labor

- De-globalization may result in significantly higher long-run cost of production and sourcing of goods, raw materials, and labor
- Many commodities used in construction are sourced from countries that have been targeted for new or increased tariffs
- Policy changes regarding undocumented workers may impact availability of construction laborers, disproportionately impacting the industry and increasing construction costs

Interest Rates: Short-End (Fed) vs Long-End (Markets)

- Geopolitical impact on countries which have historically maintained a large trade surplus and high savings (e.g. Germany, Japan, and China) are also amongst the largest purchasers of US Treasuries
- Growing US budget deficit may result in an increase in supply of Treasuries; higher nominal growth may also alter the Fed's rate path
- Lenders have already been seeking to reduce their construction financing exposure following significant losses sustained in recent years

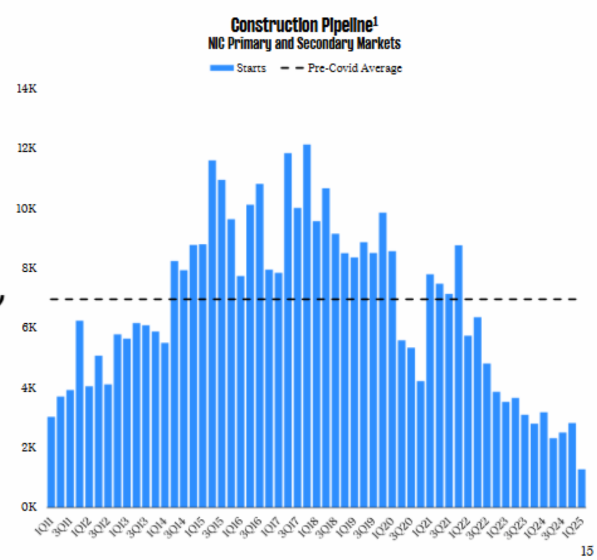
Construction and Replacement Cost

Higher Costs...

- Higher import costs likely to be passed through to end-users, including seniors housing developers
- Increased input costs may drive replacement cost higher across the seniors housing industry, benefitting owners of existing assets

Higher Long-term Rates...

- Will pressure developers' and lenders' exit underwriting through an increase in exit cap rates and permanent financing costs
- Will continue to pressure existing developers and owners who need to refinance maturing debt and/or address expiring floating rate caps



1. NIC MAP Vision

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