



# Table of Contents

|                     |       |   |
|---------------------|-------|---|
| Call Participants   | ..... | 3 |
| Presentation        | ..... | 4 |
| Question and Answer | ..... | 8 |

# Call Participants

## EXECUTIVES

Ashish Agrawal  
VP & CFO

Kieran M. O'Sullivan  
Chairman, President & CEO

## ANALYSTS

Hendi Susanto  
Gabelli Funds, LLC

John Edward Franzreb  
Sidoti & Company, LLC

Justin Trennon Long  
Stephens Inc., Research Division

**Samuel Reiff**  
*TD Cowen*

# Presentation

Operator

Hello, all, and welcome to CTS Corporation's First Quarter 2024 Conference Call. My name is Lydia, and I will be your operator today. All lines have been placed on mute to prevent any background noise. And after the prepared remarks, there will be an opportunity to ask questions. [Operator Instructions] I'll now hand you over to Kieran O'Sullivan, CEO, to begin. Please go ahead.

Kieran M. O'Sullivan  
Chairman, President & CEO

Thank you, Lydia. Good morning and thank you for joining our first quarter 2024 earnings call.

Sales were in line with our expectations for the quarter as non-transportation sales started to stabilize from the ongoing reduction in customer inventory. In the quarter, we also saw an improved booking trend for non-transportation markets.

Sales to commercial vehicle markets declined as expected, driven by softer demand and a more competitive environment. Light vehicle sales were stable across most regions, except in China, where our sales to transplant OEMs were softer. While defense sales were lower due primarily to the timing of shipments, we expect good momentum for the rest of 2024. Across Medical, we saw solid performance.

Ashish, our CFO, will take us through the safe harbor statement. Ashish?

Ashish Agrawal  
VP & CFO

I would like to remind our listeners that this conference call contains forward-looking statements. These statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Additional information regarding these risks and uncertainties is contained in the press release issued today, and more information can be found in the company's SEC filings.

To the extent that today's discussion refers to any non-GAAP measures under Regulation G, the required explanations and reconciliations are available with today's earnings press release and supplemental slide presentation, which can be found in the Investors section of the CTS website.

I'll now turn the discussion back over to our CEO, Kieran O'Sullivan.

Kieran M. O'Sullivan  
Chairman, President & CEO

Thanks, Ashish. We finished the first quarter with sales of \$126 million, a decline of 14% from the first quarter of 2023. For the quarter, non-transportation sales were down 17%, and transportation sales were down 10% from the same period last year. Sequentially, non-transportation sales were up 7% as we see some early signs of recovery in the industrial end market. Sales to the transportation end market were down 4% versus the fourth quarter of 2023.

I want to thank our teams for their support as we carefully managed operations while we navigate a challenging revenue environment.

Our book-to-bill ratio was 1.07 in the first quarter, up from 0.96 in the first quarter and the fourth quarter of 2023. The improvement in the book-to-bill ratio is in line with our expectations of recovery in the industrial end market with both distribution and OEM customers.

We are encouraged by these early signs. However, inventories are still correcting, and we will continue to monitor the order intake carefully.

Adjusted gross margin in the first quarter was 36.2%, up 86 basis points from the first quarter of 2023, driven by operational improvements and the mix shift to non-transportation sales.

On the operations front, our teams worked on improvements to help offset the unfavorable impacts from lower volumes. We are still experiencing some cost pressures, especially for certain materials and from labor cost increases.

We expect pricing pressure this year, particularly in transportation markets. We remain confident in our ability to drive efficiencies in our supply chain and manufacturing sites and to improve our operational performance and profitability.

We also made significant progress on the consolidation of the Juarez facility into the Matamoros site in Mexico and expect to fully exit the Juarez location in the second quarter. This has been a tremendous effort by our teams to advance this project while successfully supporting our customers.

First quarter adjusted diluted earnings per share of \$0.47 were down from \$0.61 in the same period last year. Later, Ashish will add further color on our financial performance.

Non-transportation sales decreased 17% in the first quarter compared to the prior year period but were up 7% sequentially. The book-to-bill ratio was above 1, and new order trends were positive across several product lines.

In medical markets, sales were essentially flat from the same period in 2023, but bookings were up sequentially as well as from the same period last year.

We are seeing steady demand and expect further growth in 2024. We had multiple wins in the quarter for diagnostic ultrasound across all regions and secured a new order for an intravascular ultrasound application. We were engaged on 2 new programs for applications in blood analysis and therapeutic ultrasound. Additionally, we added 2 new customers, 1 for facial therapeutics and a second for a disposable blood analyzer.

In the quarter, we also partnered with an existing customer on an advanced development project that has the potential to expand our intravascular applications by leveraging the capabilities of our single crystal technology.

We expect the long-term prospects for the aerospace and defense end market to be solid given our enhanced capabilities and material formulations. Aerospace and defense sales were down in the quarter, primarily due to the timing of shipments to some customers.

Bookings were strong in the quarter as we received multiple orders for hydrophones, sonar buoys, underwater unmanned applications, frequency controls and RF filters. We added 3 new programs in the quarter for AUVs and satellite RF filter applications. We also added one new customer for an application in aerospace and defense nondestructive testing. Additionally, we are getting traction on European defense growth with sample qualifications in progress, and we anticipate sales growth in 2025 on a multiyear opportunity.

In the industrial market, overall sales were down from the prior year period. Sales and bookings were up sequentially. We were successful with several sales wins in the quarter, including for industrial printing, EMC components, temperature sensing, flow metering and switches. We added 3 new customers in the quarter for temperature and EMC applications. While we saw a small sequential improvement in distribution sales and bookings, inventory reduction is still in progress.

Looking ahead for the year in non-transportation end markets, we expect improvement in our industrial and distribution end market revenue in the second half of 2024.

For defense and medical markets, we anticipate a stable environment, and we expect to make solid progress on the qualification of products for prospective new customers. Longer term, we expect our material formulations and in-house know-how to continue to support our growth in key high-quality end markets, in line with our diversification strategy. Additionally, we anticipate the megatrends of automation, connectivity and efficiency as well as growth in minimally invasive medical procedures will provide us momentum as we continue expansion in these markets.

Transportation sales were \$66.5 million in the first quarter, down approximately 10% from the same period last year and down 4% sequentially. We are experiencing softer demand -- we're experiencing a softer demand environment for commercial vehicle products in 2024, driven primarily by market softness and second-source competition.

On the light vehicle front, as I mentioned earlier, we continue to navigate the market share dynamics in China, given the competition between local and transplant OEMs. The growth rates for ICE versus EVs and hybrids are less of a concern for us given our products are mostly agnostic to the drivetrain technology.

In the first quarter, we had wins across various product groups, including accelerometer modules, ride height sensors and passive safety sensors. We added a new EV customer in North America and are progressing on advanced development awards with other new customers for accelerator modules and EV bBs bar applications for current sensing. Total booked business was approximately \$1.2 billion at the end of the quarter.

As we look to our future, we are excited by the opportunity the transition to electrification offers us even as penetration rates adjust near term. We continue to see the footwell in the vehicle as a space where we expect to expand our product offering with traditional accelerator modules, haptic modules, new e-brake products offering weight and cost advantages, and the future introduction of our DrivePad technology, a low-travel pedal product. We expect these and other sensor applications will increase our ability to grow content with a potential SAM of greater than \$1 billion.

Turning to our outlook for this year, the North American light vehicle market is expected to be in the 15.5 million to 16 million unit range with on-hand days of supply now approaching normalized levels of 3 million units. European production is forecasted in the 17 million unit range. China volumes are expected in the 28 million unit range. Electric vehicle penetration rates have softened in most regions, while hybrid adoption has improved. Overall, we anticipate a slightly down market for light vehicle production due to the China market dynamics. We expect softness in commercial vehicle-related revenue throughout 2024 primarily due to lower demand as well as the second source competition.

For the non-transportation markets, in line with our diversification strategy, we aim to expand the customer base and range of applications in the industrial, medical and defense end markets. The green shoots we mentioned last quarter in the form of inventory level corrections and improved bookings are slowly becoming apparent and are indicators of a potential recovery in the second half of 2024. As we outlined in our last earnings call, we expect a soft first half and continued near-term challenges in transportation sales while we see strengthening in non-transportation sales and an improved margin profile. Demand in defense and medical markets is expected to remain solid as industrial and distribution begins to demonstrate early signs of an improving trend. Our balance sheet is strong with ample liquidity, supported by strong cash generation, which enables us to focus on strategic acquisitions and returning cash to shareholders.

In terms of guidance for full year 2024, we are maintaining our prior guidance and anticipate sales in the range of \$530 million to \$570 million and adjusted diluted earnings per share in the range of \$2.10 to \$2.35.

Now I'll turn it over to Ashish, who will walk us through the financial results in more detail. Ashish?

Ashish Agrawal  
VP & CFO

Thank you, Kieran. First quarter sales were \$126 million, down 14% compared to the first quarter of 2023 and up 1% sequentially from the fourth quarter of 2023. Sales to transportation customers were down 10% from the first quarter of last year due primarily to the softness in sales related to commercial vehicle products and sales to our light vehicle customers in China. Sequentially, sales to the transportation market were down 4% compared to the fourth quarter of 2023. Sales to non-transportation end markets decreased 17% year-over-year, driven mainly by continued softness in the industrial and distribution end markets. Compared to the fourth quarter of 2023, sales to non-transportation customers increased 7% as we saw some improvements in sales to industrial OEM customers.

Sales to the medical end markets were stable. And although we saw lower sales in the aerospace and defense end market in the first quarter, we expect to have strong momentum in both of these end markets in 2024.

Our adjusted gross margin was 36.2% in the first quarter, up 86 basis points compared to the first quarter of 2023 and up 205 basis points compared to the fourth quarter of 2023. The improvements were driven by a favorable change in customer mix as well as efficiency improvements in our manufacturing operations.

As Kieran highlighted, we made good progress on our project to transition production from the Juarez location to our site in Matamoros. We expect completion of the transition in the second quarter of 2024.

As we navigate the challenging revenue environment, we reduced operating expenses in the fourth quarter of 2023 through temporary cost reduction measures and released reserves related to incentive compensation. We restored these temporary cost measures in the first quarter of 2024. As a result, we saw an increase of approximately 4% of sales in our operating expenses. Our objective is to ensure we manage operating expenses appropriately considering both the market environment and the focus to balance funding investments in programs that will drive future revenue growth for our company.

During the first quarter of 2024, we benefited from some discrete tax-related items, and as a result, had an improved tax rate of 18.6%. For 2024 overall, we expect our tax rate to be in the range of 19% to 22%.

Earnings per diluted share were \$0.36 in the first quarter. Adjusted earnings for the first quarter were \$0.47 per diluted share compared to \$0.61 per diluted share for the first quarter of last year.

Moving on to cash generation and the balance sheet, we generated \$18 million in operating cash flow in the first quarter of 2024 compared to \$11 million in the first quarter of 2023. Our balance sheet remains strong with a cash balance of \$162 million as of March 31, 2024, and the long-term debt balance was \$68 million.

During the quarter, we repurchased approximately 272,000 shares of CTS stock totaling approximately \$12 million. We remain focused on strong cash generation and are committed to maintaining a healthy balance sheet to continue to support organic growth, strategic acquisitions and returning cash to shareholders.

This concludes our prepared comments. We would like to open the line for questions at this time.

# Question and Answer

Operator

Thank you. [Operator Instructions] Our first question today comes from Josh Buchalter of TD Cowen.

**Samuel Reiff**  
*TD Cowen*

This is Sam on for Josh. It's good to see a positive book-to-bill for the non-transport side of the business. And I was wondering, based on your comments, it sounds like medical and A&D bookings were solid. But is your non-transport book-to-bill mostly driven, like entirely driven, by industrial? And then where do total bookings stand this quarter versus 2023's exiting at \$1.36 billion? Was the \$1.2 billion just for transportation?

Kieran M. O'Sullivan  
Chairman, President & CEO

Yes. The booked business is in the transportation area. Back to your book-to-bill and the trend here, the industrial, being a larger part of the overall revenue, is improving sequentially by double digits. We also saw improvements in Medical. And in all areas, we saw an increased book-to-bill.

On the defense side of it, we had some timing of shipments, some of those orders come in a little bit lumpy. But I would tell you the book-to-build was very strong, and that's why we feel good about that for the full year period as well.

Ashish Agrawal  
VP & CFO

Sam, on your question on the total booked business, we did reflect in that number. That reflects our long-term revenue expectation for the transportation part of our business. And we reflected adjustments related to the expectation of lower revenue because of the second source in the commercial vehicle products and a smaller adjustment for the China OEM sales softness that we talked about just a moment ago.

**Samuel Reiff**  
*TD Cowen*

Understood. And then I think, last quarter, I asked you all the progress of the burn-down of the inventory in the distribution channel. And I think you mentioned -- or you noted that peers were talking about 60% or 70% burn-down at the time, and it sounds like you're still working through that. Do you have any kind of update directionally on that and how long that might take to clear the channel?

Kieran M. O'Sullivan  
Chairman, President & CEO

Sam, probably the best way of describing it is we're seeing inventories continue to burn down. For the first time, I would say, in the last few quarters, with our customers, their POS numbers have improved, and we've seen a small improvement in our bookings and also in our sales, so trending in the right direction, but just being very cautious here at the moment. And remember, it's about 10% of our overall sales.

**Samuel Reiff**  
*TD Cowen*

That is clear. And last one for me, I think it's pretty well known that you're seeing a little bit of a shift from full BEV to hybrid. And I was just wondering. Does that comment -- are you seeing that more in non-Chinese markets than the China market? The BEV market in China is still doing well and status quo versus 6 months ago? Or can you break that down for us to kind of give us the geographical split on what you're seeing?

Kieran M. O'Sullivan  
Chairman, President & CEO

Yes. Sam, I'd say on the BEV overall is North America and they have softened a little bit. Europe has gone a little bit flattish. I'm thinking North America in the 7% range, maybe a little less, Europe more in the low double digits. China has been higher, and China was lower in the first quarter. But remember, you've got the Chinese New Year. So I think that will correct itself overall. I think we're not so much worried about that because the products are mostly agnostic. It does have some impact on us. As we called out, the thing that concerns us is our transplant customers losing share in China. That's where we're mostly focused.



Unknown Analyst

Understood.

Operator

Our next question comes from Justin Long of Stephens.

Justin Trennon Long  
Stephens Inc., Research Division

Maybe to start with a question on the guidance, it sounds like the improvement you're expecting in industrial is more weighted towards the second half. So as we think about the cadence of both revenue and earnings over the rest of the year, does the guidance assume that the second quarter looks similar to the first and then we pick up in the back half, or is there any more color you can provide around the progression of the business over the next 3 quarters?

Kieran M. O'Sullivan  
Chairman, President & CEO

Yes, I would say, just to give an overall context on it, transportation, because of the commercial side of it, light vehicle in Asia is going to be a little bit of a challenge all year, but that's factored in. The improvement, you'll see some improvement in the second quarter, but most of it in the back half. But you definitely will see some improvement in the second quarter, Justin.

Ashish Agrawal  
VP & CFO

Justin, just [indiscernible].

Justin Trennon Long  
Stephens Inc., Research Division

That's helpful.

Ashish Agrawal  
VP & CFO

As we have previously communicated, we expect a softer second half for transportation and a recovery in the industrial business. So the mix should continue shifting towards the non-transportation revenue in the second half of the year.

Justin Trennon Long  
Stephens Inc., Research Division

And I guess on that point, Ashish, we did see about a 200 basis point improvement in gross margins, adjusted gross margins, sequentially in the first quarter. How much of that was just a function of better product mix versus some of the operational improvements that you discussed? And can you help us think about just the sustainability of this gross margin level going forward?

Ashish Agrawal  
VP & CFO

Yes. Justin, without going into too much detail there, we do see some improvement from operational improvements as well as the customer mix. What I would tell you is that, as we see the mix shift continuing to change as we go through the rest of the year, we do expect more favorable impact. And obviously, we'll continue focusing on operational efficiency at the same time as well.

Justin Trennon Long  
Stephens Inc., Research Division

Okay, got it. And I guess the last one for me was around the competition from a second source in commercial vehicle. I'm just curious. Is that a new development? Is that something that you anticipated coming into this year when you initially gave guidance? And is there any more color you can provide on what the headwind from that could look like as we try to understand how much of the pressure is coming from the market and lower production versus issues with the second competitor?

Kieran M. O'Sullivan  
Chairman, President & CEO

So, Justin, it's a newer development. As you know, in commercial vehicle markets, it's -- or even in automotive light vehicle, it's not unusual to have second source. We're ready for that. And if we look at the nature of the product, the relationship we have with the customer, we think we're going to have good business there going forward.

And then to your question on the run rate, has the softness been built in, yes, the softness is built in, but we anticipate some more softness in the second half of the year. So obviously, we've got to compete. We've got to do a good job in innovation and quality, and that's what we do in all our other markets as well. So that's probably the best way of describing it overall.

Ashish Agrawal  
VP & CFO

Yes. Justin, just to reiterate, when we put the guide out for the year, this was anticipated in the range of our sales expectation. So from that perspective, it's not new, but as Kieran said, it is a newer development that we were honing in on in early part of 2024.

Justin Trennon Long  
Stephens Inc., Research Division

Okay. That's helpful to clarify.

Operator

The next question comes from John Franzreb of Sidoti & Company.

John Edward Franzreb  
Sidoti & Company, LLC

Just sticking to the topic of pricing pressure, is it limited to the second source competition, or are you seeing it in other end markets as well?

Kieran M. O'Sullivan  
Chairman, President & CEO

John, it's primarily across all transportation markets. We would look at it that way, not just commercial. It's all transportation. We expect, from the changes in the last few years, what's happened with the Detroit Three on union negotiations and different things that are happening, vehicle prices will start to drop a little bit, not completely yet, but we expect that pressure to build in the transportation market. We're not as concerned about the non-transportation markets.

John Edward Franzreb  
Sidoti & Company, LLC

Understood. And in the non-transportation markets, you alluded to the fact that you expect the second half to be better than the first half based on current bookings profiles. Which end market within the non-transportation businesses is probably going to be the first to recover in 2024?

Kieran M. O'Sullivan  
Chairman, President & CEO

John, the way I'd frame that a little bit is we've been -- if you look at the non-transportation, medical and defense have been doing steady all last year, this year as well, and we expect them to perform. Industrial has been the big headwind, and we've seen sequential improvement in sales and bookings, and that's where we expect the biggest improvement going into the second half.

Ashish Agrawal  
VP & CFO

And John, Kieran also talked about strong bookings in medical as well as in aerospace and defense in the first quarter. So we expect that momentum in medical and aerospace and defense to continue in 2024.

John Edward Franzreb  
Sidoti & Company, LLC

Understood. And just to ask, given the relocation of the facility, any update on capital spending for the year, what the budget looks like?

Ashish Agrawal  
VP & CFO

So, John, we typically talk about 4% of sales. Some years, it's a little less. Some years, we have been a little higher. That feels about right for us as we look at 2024 and beyond.

Operator

[Operator Instructions] Our next question comes from Hendi Susanto of Gabelli Funds.

Hendi Susanto  
Gabelli Funds, LLC

Kieran, I would like to ask further questions on the second source competitions. In terms of, let's say, like, the timing of winning or losing shares, are there some timing elements, meaning that when will CTS or your customers can regain shares back with regard to the second source competition?

Kieran M. O'Sullivan  
Chairman, President & CEO

So Hendi, I think 2 things there. I mentioned that earlier -- the sales drop is already in our run rate, but we will see some further drop due to market softness in the second half of the year. So probably that's the best way to characterize your question. And as you know, in transportation, not unusual to have second source. So we've got to make sure we're doing a good job in innovation, quality, on-time delivery, just like we do with the 20 other OEMs we do business with in transportation.

Hendi Susanto  
Gabelli Funds, LLC

And then in terms of winning it back, can it happen any time, or?

Kieran M. O'Sullivan  
Chairman, President & CEO

Oh, I understand your question.

Hendi Susanto  
Gabelli Funds, LLC

Yes.

Kieran M. O'Sullivan  
Chairman, President & CEO

Look. We always aim to win. And I would tell you though, in most OEM situations, they always like to have some second source capability. Sure, will we fight for more share? Absolutely. That's what we're here for. But I would expect an OEM to maintain some flexibility.

Hendi Susanto  
Gabelli Funds, LLC

And then given, in the light vehicle markets, Chinese OEMs winning against transplant, what is the current strategy or current plans to expand your presence among the local Chinese OEMs? Where are we now? And then what should we envision for the next several quarters?

Kieran M. O'Sullivan  
Chairman, President & CEO

Hendi, that's a good question. Thank you. It's a tough one because, with some OEMs in China, we know we can expand, not just over in that region but as they expand globally as well. On the other hand, there are some that we probably won't play with because they tend to do a lot of vertical integration versus taking your technology over time. So we're very careful where we play.

And then the other thing we've been doing is, because, as you know, the cycle there, if you lose a few million in revenue, it takes a few years to gain it back, but we've already been working on this. As I mentioned in the last -- one of the last few earnings calls, we

had wins on accelerometers. So doing that with new products and what we're doing with current sensing, those types of products are needed in the market so we can win in the market with that in motor position sensing and e-brake applications. So that's where we're doubling down.

Hendi Susanto  
Gabelli Funds, LLC

Got it. And then with regard to the pricing pressure in transportation, can you verify whether that has been factored in within your guidance?

Kieran M. O'Sullivan  
Chairman, President & CEO

Yes, we always factor that within our guidance, Hendi. And obviously, we're driving productivity internally to make sure we're improving and doing the right things to preserve and improve our margin profile as well.

Operator

[Operator Instructions] We have no further questions, so I'll turn the call back over to Kieran O'Sullivan for any closing comment.

Kieran M. O'Sullivan  
Chairman, President & CEO

Thank you, Lydia, and thank you, everyone, for your time.

Despite the near-term headwinds, CTS is focused on future growth driven by the megatrends of increased automation, connectivity, energy efficiency and minimally invasive medical innovation. The continued expansion of our customers and pipeline of opportunities underscore our confidence in our future.

Thank you for joining us today on the call. This concludes our call.

Operator  
This concludes today's call. Thank you very much for joining. You may now disconnect your line.

Copyright © 2024 by S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved.

These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable. No content (including index data, ratings, credit-related analyses and data, research, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Market Intelligence or its affiliates (collectively, S&P Global). The Content shall not be used for any unlawful or unauthorized purposes. S&P Global and any third-party providers, (collectively S&P Global Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Global Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON "AS IS" BASIS. S&P GLOBAL PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Global Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages. S&P Global Market Intelligence's opinions, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Global Market Intelligence may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Global Market Intelligence assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P Global Market Intelligence does not act as a fiduciary or an investment advisor except where registered as such. S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) and [www.globalcreditportal.com](http://www.globalcreditportal.com) (subscription), and may be distributed through other means, including via S&P Global publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).  
© 2024 S&P Global Market Intelligence.