

25-Jul-2024

# DTE Energy Co. (DTE)

Q2 2024 Earnings Call

## CORPORATE PARTICIPANTS

**Matt Krupinski**

*Investor Relations, DTE Energy Co.*

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

**Joi M. Harris**

*President & Chief Operating Officer, DTE Energy Co.*

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

## OTHER PARTICIPANTS

**Jeremy Tonet**

*Analyst, JPMorgan Securities LLC*

**Shahriar Pourreza**

*Analyst, Guggenheim Partners*

**Durgesh Chopra**

*Analyst, Evercore ISI*

**David Arcaro**

*Analyst, Morgan Stanley & Co. LLC*

**Michael P. Sullivan**

*Analyst, Wolfe Research LLC*

**Andrew Weisel**

*Analyst, Scotia Capital (USA), Inc.*

**Julien Dumoulin-Smith**

*Analyst, Jefferies*

**Anthony Crowdell**

*Analyst, Mizuho Securities USA LLC*

**Travis Miller**

*Analyst, Morningstar, Inc. (Research)*

## MANAGEMENT DISCUSSION SECTION

**Operator:** Good morning. My name is Eric and I'll be your conference operator today. At this time, I would like to welcome everyone to the DTE Energy Second Quarter 2024 Earnings Conference Call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. [Operator Instructions]

I would now like to turn the call over to Matt Rubensky, Director of Investor Relations. Please go ahead.

**Matt Krupinski**

*Investor Relations, DTE Energy Co.*

Thank you and good morning, everyone. Before we get started, I'd like to remind you to read the Safe Harbor statement on page 2 of the presentation, including the reference to forward-looking statements. Our presentation also includes references to operating earnings, which is a non-GAAP financial measure. Please refer to the reconciliation of GAAP earnings to operating earnings provided in the appendix.

With us this morning are Jerry Norcia, Chairman and CEO; Joi Harris, President and COO; and Dave Ruud, Executive Vice President and CFO.

And now, I'll turn it over to Jerry to start the call this morning.

## Gerardo Norcia

*Chairman & Chief Executive Officer, DTE Energy Co.*

Thanks, Matt, and good morning, everyone, and thanks for joining us. I hope everyone is enjoying the summer and staying healthy and safe. This morning, I will discuss how DTE is on track to achieve our targets this year and highlight achievements we have made through the first half of the year, as we continue to deliver for all of our key stakeholders.

Joi will provide you with an update on our capital investment agenda and the great work we are doing to enhance reliability as we continue to build the grid of the future while continuing to focus on customer affordability. And Dave will provide a financial update and wrap things up before we take your questions.

Let me start on slide 4. We had a very strong first half of 2024, and we are in a great position to deliver on our targets across the company this year. Our success is a result of our commitment to deliver for our customers and our communities. And as I've said many times, this starts with the efforts of our highly engaged employees.

As I mentioned earlier this year, the engagement of our team was recognized by receiving a Gallup Great Workplace Award for the 12th year in a row. We were also recognized with the Best Employers award for excellence in health and well-being. This award recognizes companies for their commitment to advancing employee well-being through innovative initiatives, identifying the importance of health equity and an effective culture of employee engagement. I am proud of our team for receiving these awards and being recognized for our outstanding engagement. This engagement is why I am confident that we will continue to deliver for our customers and our communities.

On the customer front, our team has done great work to support our customers through the few storms we faced this year. Providing our customers with safe and reliable service is paramount to our company's success, which is why one of our key focus areas in 2024 is improving our storm restoration process. And we have made great progress on that front, as evidenced by achieving some of our fastest restorations for the storms that we have had this year, as we work towards restoring all customers within 48 hours after a storm. We also had a period of extreme heat where temperatures in our service territory hit 90 degrees for six consecutive days last month. This was one of the longest heat waves that we have had at DTE in the last 20 years.

I'm very proud that our system held up extremely well under these conditions, but I'm even more proud of our team's efforts to take care of our customers in a number of ways during this time. We distributed hundreds of fans to non-profit agencies to keep customers cool and delivered nearly 100,000 bottles of water to 30 community partner agencies across southeast Michigan. In addition, the DTE Foundation partnered with United Way to provide 500 rides to cooling centers to help keep customers safe and to complete nearly 3,000 wellness checks for our most vulnerable customers as the heat intensified.

We take pride in supporting the communities where we live and serve, and we are recognized for our service as DTE was honored to be named to the Civic 50 for the seventh consecutive year. This award, presented by Points of Light, recognizes the most community-minded companies in the nation, and it is a testament to our team to receive this award.

I'd also like to highlight the expansion of our Energy Efficiency Academy, which is DTE's workforce development program that supports the growing demand for energy efficient home repairs in Detroit, while also building a local workforce that further benefits the community. Building on the Academy's successful first year, we are expanding with more partners in Detroit, as well as planning an advanced training program in the Grand Rapids area. This

has been a great program to help those interested in working in the clean energy industry, and a majority of the participants have secured full-time employment.

Financially, we are in great position to deliver on our earnings targets this year. Our long-term operating EPS growth rate remains strong at 6% to 8%, with 2023 original guidance as the base for this growth. And we will continue to have a strong balance sheet and credit ratings to support our customer focused capital investment plan. We remain committed to deliver premium shareholder returns that our investors have come to expect. And importantly, our strong financial health, along with the constructive regulatory environment in which we operate, supports the significant investments we are making for our customers and allows us to invest more than the cash we generate from our operations to further improve reliability and transition to cleaner generation. Again, the ability to invest above our cash flows is only made possible by constructive regulatory outcomes.

Let's turn to slide 5 to highlight some of the achievements across our portfolio. As I mentioned, we're on track to achieve our full year guidance in 2024, and we are positioning ourselves to continue to deliver strong results in 2025 as well as throughout our long-term plan. On the regulatory front, we continue to progress toward constructive rate case outcomes for both DTE Electric and DTE Gas. Our electric rate case outlines the customer-focused investments we need to make to build a smarter, stronger, more resilient electric grid of the future for our customers and to further our transition to cleaner generation.

This filing underpins the next important step in our long-term investment plan to achieve grid reliability and transform to cleaner generation, while maintaining affordability for our customers. We expect intervenor testimony in the electric case tomorrow, and we look forward to working together with all the parties ahead of the scheduled final order in January. At DTE Gas, our rate case filing supports the important investments necessary to continue to renew our gas infrastructure, which will further minimize leaks and reduce costs. We are in discussions with intervening parties prior to a final order scheduled in November.

We continue to make significant strides in our reliability efforts this year and our customers are seeing the benefits of this work. Joi will provide some detail on our progress in this area, but I'll just mention the efforts we are making in automating our electric system. We installed a couple of hundred automated reclosers last year and we are ramping up the effort this year. We will move from the hundreds to the thousands in a very short time as we work to automate our entire system. To put the impact of the reclosers into perspective, the operation of the devices already installed have saved over 250,000 customer minutes of outages this year alone. This demonstrates the significant impact these can make in improving reliability for our customers.

To support our advancements in cleaner generation, last month, we broke ground on the battery energy storage system that we highlighted on the first quarter call. This project is a 220-megawatt system at the site of the former Trenton Channel power plant and is expected to be operational in 2026 and will be the largest standalone battery energy storage project in the Great Lakes region. The project supports our integrated resource plan and Michigan's new statewide energy storage target, both of which align with DTE's net zero carbon reduction goals.

We continue to see strong growth in our voluntary renewables program at DTE Electric. Our MIGreenPower program currently has nearly 2,500 megawatts subscribed and nearly 100,000 residential customer subscriptions. And at DTE Gas, we are progressing on our gas main renewal program as we continue to modernize the gas transmission system. At DTE Vantage, we continue to advance customer energy solutions, RNG and carbon capture and sequestration projects.

We highlighted the Ford Motor Company custom energy solutions project earlier this year to support Ford's new plant in Tennessee. The project is underpinned by a long-term fixed fee contract and is scheduled to go into

operation later this year. We also began construction on a RNG project that is expected to go into service in the second half of the year.

Let's move to slide 6, to highlight how DTE is well positioned for growth. Southeastern Michigan continues to be a great region for economic development, attracting many large companies that contribute to the progress of our state and its residents. General Motors, Henry Ford Health and the University of Michigan are among the large companies putting major investments into our service territory, providing significant economic development, including providing thousands of jobs. We continue to collaborate with partners throughout the state to target key business segments to drive further economic growth, particularly in the areas of battery manufacturing, hydrogen and data centers.

As you all know, data center development and the impact of the potential load from these centers has been an important focus over the last year. DTE is very well positioned to serve data centers. We are in discussions with a number of potential customers on development opportunities and ensuring that these projects are good for all of our customers. The pending sales and use tax exemption legislation in Michigan would lower the cost of operating data centers, and the Governor has indicated great willingness to sign these bills if they come to our desk, which we expect in the fall or subsequent periods. So, to wrap up my comments, I'll just say I continue to be very excited about our start in 2024 and how we are well positioned to continue to deliver now and into the future for our customers, our communities and our investors.

Now, I'll turn it over to Joi give some highlights on our investment agenda and reliability improvements. Joi, over to you.

---

## Joi M. Harris

*President & Chief Operating Officer, DTE Energy Co.*

Thanks, Jerry, and good morning, everyone. I'm happy to be here with all of you today and excited for the opportunities that we have in front of us as we continue to make significant investments in our systems, investments that are really making a difference for our customers in improving reliability and continuing our transition to cleaner generation.

I'll start on slide 7, to review our long-term capital plan. Then, I'll provide you with some examples of how our commitment to strengthen our grid is really having an impact on our customers' experience. Over the next five years, we are on track to make significant customer-focused capital investments across our businesses, with about 95% of our \$25 billion investments slated for our utilities. We are focused on modernizing our grid to ensure we can continue to provide safe, reliable and affordable energy.

We are also making significant investments to transform the way we produce power as we shift towards renewables and natural gas and away from coal generation. An important part of our clean energy transition is our voluntary renewable program, MIGreenPower, which continues to be the largest green tariff program in the country.

Additionally, at our gas utility, we continue our important main renewal work, which strengthens and improves our natural gas infrastructure and further reduces greenhouse gas emissions. DTE makes all of these investments with a sharp focus on customer affordability, using our distinctive continuous improvement culture to drive cost management and savings for our customers. The shift from coal to cleaner energy sources also helps to further reduce O&M costs in our diverse energy mix, helps to reduce fuel costs as well, and allows us to maintain flexibility to adapt to future technology advancements. And finally, our transition to renewable energy is supported

by the IRA, helping us to continue to achieve customer affordability goals and further enhance opportunities for growth at DTE Vantage.

Let's move to slide 8, to highlight our reliability improvement work and how it's making an impact in improving the customer experience. We are making a lot of progress on building the grid of the future. We are progressing in four major areas as we work on improving reliability for our customers. First, we are quickly transitioning to a smarter grid. As Jerry mentioned, we are adding significantly more technology to our system by installing 10,000 smart devices, effectively automating our entire system by 2029. These devices or automated reclosers allow us to pinpoint and isolate issues during an outage and reroute power, so we can restore many of our customers within minutes while crews make repairs. And perhaps most important, these devices will automatically de-energize a line when it senses a fault, such as a wire on the ground, helping to keep our customers safe.

Secondly, we are aggressively updating our existing infrastructure. We are replacing and upgrading poles, cross arms, transformers and other pole top and substation equipment. We're making great progress in this area. Last year alone, we inspected and updated our pole-top equipment across more than 1,700 miles. Our hardening program in Detroit is a great example of this work. On average, customers experienced an 80% improvement in reliability in the first year, following hardening.

The third focus is to rebuild significant portions of our grid. While updating equipment is certainly important, we are also completely rebuilding the oldest portions of our grid. I'll give you a few examples of where this work is happening and the significant impact it's having.

We are investing over \$100 million in two projects on Detroit's east side. These projects involve constructing two substations and replacing approximately 300 miles of overhead and underground infrastructure with new, more durable equipment. We also have an undergrounding pilot in Detroit that continues to move forward. These pilots are critical as we gain experience on ways to improve our processes and bring down the cost of undergrounding. In this pilot, we're doing both gas upgrades and electric undergrounding at the same time to achieve meaningful cost savings and reduce inconvenience for our customers.

We also have a number of projects outside of Detroit, across our service territory. This work on rebuilding these areas of our grid is having a significant impact. Customers experience a 90% increase in reliability where we've executed on this rebuilding work. And finally, we remain heavily focused on our tree trimming efforts as this remains one of the most effective methods to improve reliability.

Trees account for half of the time our customers are without power. And in areas where tree trimming is up to date, customers experience significant improvements in reliability. We have trimmed nearly 40,000 miles of trees since 2015, and we expect to have our entire system on a five-year tree trim cycle by the end of next year. So, as you can see, we are doing intense focused work to improve our system for our customers and our Distribution Grid Plan lays out our journey to building the grid of the future through our necessary customer focused investments.

With that, I'll turn it over to Dave to give you a financial update.

---

## David Ruud

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

Thanks, Joi, and good morning, everyone. Let me start on slide 9, to review our second quarter financial results. Operating earnings for the quarter were \$296 million. This translates into a \$1.43 per share. You can find a detailed breakdown of EPS by segment, including a reconciliation to GAAP reported earnings in the appendix.



I will start the review at the top of the page with our utilities. DTE Electric earnings were \$279 million for the quarter. This is \$101 million higher than the second quarter of 2023. The main drivers of the earnings variance were implementation of base rates and warmer weather, partially offset by higher rate base costs. Moving on to DTE Gas, operating earnings were \$12 million lower than the second quarter of 2023, driven by warmer weather and higher rate base costs, partially offset by increased revenue from the IRM.

Let's move to DTE Vantage on the third row. Operating earnings were \$14 million for the second quarter of 2024. This is a \$12 million decrease from 2023 due to a combination of some timing and one-time items, primarily in our customer energy solutions and steel related businesses. We continue to be highly confident in our full year guidance for Vantage. Compared to the first half of 2024, earnings in the second half will be notably higher. This is driven by the shape of earnings for projects in our custom energy solutions and RNG portfolios and some new projects that come on line in the second half of the year.

In the next row, you can see energy trading finished the quarter with earnings of \$31 million. This is a \$5 million decrease from last year, primarily due to lower performance of the physical gas portfolio. We are continuing to experience really strong results through the first half of the year as we realized strong contracted margins in our physical power portfolio and stronger performance in our gas portfolio. With these stronger contracted margins, we should experience some upside at energy trading for the year. However, for now, we are maintaining our conservative guidance for this business.

Finally, corporate and other was favorable by \$18 million quarter-over-quarter due to the timing of taxes, which will reverse through the balance of the year, bringing us within the current full year guidance range for our corporate and other segment. Overall, DTE earned a \$1.43 per share in the second quarter. As Jerry said, had a great first half of the year and we are well positioned to achieve our targets in 2024. Additionally, we are continuing to work to position ourselves to deliver strong results in 2025 and through our long-term plan.

Let's move to slide 10, to highlight our strong balance sheet and credit profile. As Joi discussed, we need to continue to invest heavily into our utilities to improve reliability and move toward cleaner generation. This customer focused investment is supported by our robust cash from operations, which is shown on our cash and capital guidance slide in the appendix. Due to these strong cash flows, we still have minimal equity issuances in our plan as we are targeting annual issuances of \$0 million to \$100 million through 2026.

Our long-term financial plan incorporates debt refinancing and new issuances to fund our capital investment plan and is consistent with our 6% to 8% long-term operating EPS growth target. We have eliminated the interest rate risk of our 2024 debt issuances at all-in rates that are better than what we had in our plan. And we continue to manage future issuances beyond 2024 through an active hedging program and other opportunities that mitigate interest rate variability. So, for example, we have eliminated interest rate risk on nearly half of the debt refinancing needs at the parent company in 2025. We continue to focus on maintaining our strong investment-grade credit rating and solid balance sheet metrics as we target an FFO to debt ratio of 15% to 16%.

Let me wrap up on slide 11 and then, we'll open the line for questions. Our team continues our commitment to deliver for all of our stakeholders. Our robust capital plan supports our customers as we execute on the critical investments that we need to make to improve reliability and transition to cleaner generation, while focusing on customer affordability. DTE is well positioned to serve increased load as opportunities for development continue in our service territory. The 2024 operating EPS guidance midpoint provides 7% growth over the 2023 original guidance midpoint, and we continue to target long-term operating EPS growth of 6% to 8%. We are well

positioned to deliver the premium total shareholder returns that our investors have come to expect, with a strong balance sheet that supports our future capital investment plan.

With that, I thank you for joining us today and we can open the line for questions.

## QUESTION AND ANSWER SECTION

**Operator:** [Operator Instructions] Your first question comes from the line of Jeremy Tonet with JPMorgan. Please go ahead.

**Jeremy Tonet**

*Analyst, JPMorgan Securities LLC*

Hi. Good morning.

Q

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

Good morning, Jeremy.

A

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

Hey.

A

**Jeremy Tonet**

*Analyst, JPMorgan Securities LLC*

Just want to pick up, I guess, on prior conversations with regards to any updates you might be able to share with conversations with hyperscaler negotiations and how you see, I guess, the timeline of these negotiations developing, given the background of the Michigan [ph] sales (00:24:16) news, tax legislation and I guess lack of clarity on coming to fruition at that at this point.

Q

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

Jeremy, I would say that our conversations and engagement with the hyperscalers continue and I would say that there's still very strong interest by multiple parties and they are awaiting the results of the legislative effort. And we were targeting – there was a target for the legislature to get that done in the spring. But I think the budget deliberations kind of overtook that process. But there's still very strong bipartisan support both in the House and the Senate, and the Governor is still indicating strong willingness to sign it if it comes to her desk, which we expect to happen sometime this fall and/or the balance of this year. So, I think as soon as that happens, I think we'll start to get a little more serious traction on landing some data centers.

A

**Jeremy Tonet**

*Analyst, JPMorgan Securities LLC*

Got it. That's very helpful there. And then, just turning to the quarter and some of the results there, I was curious in the corporate and other, the timing of taxes, if you might be able to, I guess, quantify a bit more the impact there? And should we expect that to kind of reverse in future quarters?

Q



**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

A

Yeah. Hi, Jeremy, this is Dave. Yeah. The timing of taxes will reverse as we go. This is really a effective tax rate adjustment. So, it adjusts the consolidated year-to-date income tax expense for what we think will be the annual tax rate at the end of the year. And it does come to zero at the end. So, we did see some favorability from that of about \$0.10 in the quarter and that will adjust again as we go through the year.

**Jeremy Tonet**

*Analyst, JPMorgan Securities LLC*

Q

Got it. That's very helpful. Just one last quick one for me. If you might be able to share any color for the second quarter earnings, how much came from tax equity at Vantage and how we should think about that, I guess, trajectory here?

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

Yeah. There was – there really wasn't anything that was tax related, ITC or PTC at Vantage in the second quarter. I will say we're – you can see that we have a lot back loaded at Vantage through the year. We're really confident full year guidance there. A lot of it is project related that comes through the second half and a little bit will be a tax as well in the second half as we go through the year. But we're really confident in our guidance of \$1.25 million to \$1.35 there.

**Jeremy Tonet**

*Analyst, JPMorgan Securities LLC*

Q

Got it. That's really helpful. And just actually one last one, if I could. Energy trading, is there any other incremental color you can provide with regards to the type of activities happening there in – on the outside and how to kind of model or think about, how that will ebb and flow over time.

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

Yeah. You saw in the quarter and for the year so far, we're off to a really strong start there and that's driven by really two areas. One is our power FRS portfolio. So, these are contracted and hedged positions that we do and yeah, there is a shape to those through the year and we expect that that shape will – it should increase through the through the end of the year. And then, our gas portfolio, we have some structured contracts there as well and we're able to take advantage of some of those are contracted and hedged also. So, we had a good first half. We're really about on our guidance for the year right now. But we want to go through the summer, see how that plays out with the weather and see how it works for the rest of the year. But, as you saw, we did have a very good first half of the year in energy trading.

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

A

These are multi-year contracts. So, we expect some of that – some of those high margin – high margins that are contracted and continue to provide benefit sometime into the future beyond this year as well.

**Jeremy Tonet**

*Analyst, JPMorgan Securities LLC*

Q

Got it. That's very helpful. Thank you for taking my question.

**Operator:** The next question comes from the line of Shahriar Pourreza with Guggenheim Partners. Please go ahead.

**Shahriar Pourreza**

*Analyst, Guggenheim Partners*

Hey, guys. Good morning.

Q

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

Good morning, Shar.

A

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

Hi, Shar.

A

**Shahriar Pourreza**

*Analyst, Guggenheim Partners*

Good Morning. Good Morning. Just real quick on the rate case filing, obviously, it's in early innings, testimony is tomorrow. The provisions and kind of the mechanisms remain unchanged. Do you feel, I guess, there would be an opportunity for a settlement after testimony or do the parties once again kind of want to litigate a path? I guess how are you overall thinking about a settlement at this juncture, whether it's partial or non-unanimous, to help take issues off the table? Thanks.

Q

**Joi M. Harris**

*President & Chief Operating Officer, DTE Energy Co.*

Good morning, Shar. Yes. So, we are anticipating testimony tomorrow. If we can get to a contested settlement, our chances of settlements increase. But if not, there are a lot of interveners in this case. Obviously, we'd like to settle, but if we don't settle, we feel pretty confident in our ability to receive a constructive outcome regardless. So, it's a pretty straightforward case. It's all about the capital we need to invest to improve the reliability for our customers. And we hope that the commission is seeing that in our testimony and it's pretty strong testimony in that regard.

A

**Shahriar Pourreza**

*Analyst, Guggenheim Partners*

Got it. Did any of the rate design proposals in the case cause any kind of contention as we're thinking about that settlement path?

Q

**Joi M. Harris**

*President & Chief Operating Officer, DTE Energy Co.*

Not really. Most of the interveners are picking up on what at least we've seen in the past. There's some interest in just our path forward, on our retirement of our plan and then also some of – another environmental pieces. But generally speaking, there isn't much rate design that is contested in the case.

A

**Shahriar Pourreza**

*Analyst, Guggenheim Partners*

Q

Got it. Okay, great. And then, maybe just a question on Vantage. I mean, obviously, the business mix has changed over the years. Do you kind of anticipate growing the existing platform for services and RNG? Would you lean on one or the other? And as the opportunities sort of the carbon capture potentially, load services for industrial data centers increases, I guess, how do you find Vantage repositioning? Is there even a need to look for some optimization there?

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

Shar, they are the two most significant opportunities. We continue to pursue our greenfield RNG and we've got a good backlog of those projects. And then, secondly, our custom energy solutions, which is sort of behind the fence industrial installation where we're providing co-gen services, water services, compressed air services. Those are nice long-term contracts, fixed fee without commodity risk. Those are the two primary areas of focus. CCS bill is an emerging opportunity for us. We've got a number of parties that have committed to working with us contractually to test the feasibility of carbon capture and storage. And we're in the middle of a handful of those opportunities right now. So, more to come on that before it becomes a business line that starts to create value. But we feel good about it. But we're also very focused on the first two business lines that I mentioned.

**Shahriar Pourreza**

*Analyst, Guggenheim Partners*

Q

Okay. Got it. Sorry, Jerry. Just the optimization. Is there any need to do some portfolio optimization there?

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

If we see two things. One is the business growing beyond our 10%. We're very committed to the 90%-10% mix between utility and non-utility. That would be one potential trigger. And secondly, if there were significant equity needs at DTE that would be a second trigger to perhaps look at asset optimization and rotation. Right now, we don't – in our current forecast, we don't see that need. But – so it doesn't really create incremental value for us to rotate assets.

**Shahriar Pourreza**

*Analyst, Guggenheim Partners*

Q

Got it. Okay. That's pretty consistent. Thanks, guys. Appreciate it.

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

Thanks, Shar.

**Operator:** The next question comes from the line of Durgesh Chopra with Evercore ISI. Please go ahead.

**Durgesh Chopra**

*Analyst, Evercore ISI*

Q

Hey team, good morning. Thank you for taking my questions. I just want to...

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

Good morning.

A

**Durgesh Chopra**

*Analyst, Evercore ISI*

Good morning, Jerry. Just want to start off on 2024 expectations for 2024. Maybe just can you remind us where do you sit year-to-date in terms of weather impacts? I think it was \$0.28 to the negative in 1Q and here, it's slightly positive. So, maybe just is it the \$0.20 – \$0.27 net number that we see in the first half? And you have mitigation underway and maybe just reconcile that for us.

Q

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

Yeah. We showed the weather impact slide. It's in the deck on page 14. You can see that year-to-date in Electric, we're still negative \$0.04 and at Gas, negative \$0.23. But as you know, we build in some contingency for weather throughout the year. And so, we're really confident that we're going to be able to meet what we need to do for the second half of the year and hopefully see some good weather there, which will allow us to invest some more for our customers in 2024 to pull forward some of the investment we need to do for our customers from later years into 2024 and help out even more.

A

**Durgesh Chopra**

*Analyst, Evercore ISI*

Got it. That's helpful. So, basically slight offset to 1Q weather and still on track for 2024 with your sort of contingency measures in place. Okay. Joi, thanks for sharing all the details on the operational things you're doing, vegetation management, et cetera. Just wondering, how is the Liberty Consulting review going? And as you made these operational changes, how is that getting factored into the review study and what to expect there as we await a report in fall here?

Q

**Joi M. Harris**

*President & Chief Operating Officer, DTE Energy Co.*

Yeah. Thanks, Durgesh. I say that the audit is wrapping up. The auditors have completed their interviews and they've done field visits and we've gotten positive feedback on our interaction with them. It's been a very collaborative process up till now and we anticipate that will continue as we get the report in September. The initial feedback is very much in line with the agenda that we set forward in our plans. We may see some shifts in programming slightly, but generally speaking we've seen nothing to indicate that will be – there will be any surprises in September.

A

**Durgesh Chopra**

*Analyst, Evercore ISI*

Perfect. Thanks again for the time.

Q

**Operator:** Next question comes from the line of David Arcaro with Morgan Stanley. Please go ahead.

**David Arcaro**

*Analyst, Morgan Stanley & Co. LLC*

Q

Hey, good morning. Thanks so much for taking my questions.

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

Good Morning, David.

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

Hey.

**David Arcaro**

*Analyst, Morgan Stanley & Co. LLC*

Hey, let's see. I guess wondering if you could give an update on how you're seeing the performance based rates would potentially shape up from here, any progress and the direction of that new structure?

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

Sure. So, there's been a lot of interaction and collaboration with the staff on this PBR process. And I would say we're landing on metrics that we feel are really valuable to our customers. So, I think we've got strong alignment on the metrics and I think the process we're in now, David, is to make sure that we've got strong consensus on the initial targets and also on making sure that there's symmetry in the targets. So those are the two remaining things that we're working with the staff and the commission staff on. So, we feel like it's progressing well, the fact that it's lining up quite nicely with things that we think are very important to move for our customers.

**David Arcaro**

*Analyst, Morgan Stanley & Co. LLC*

Got it. Thanks. That's helpful. And then, maybe on the data center side, wondering if you could just provide any color or context in terms of how much demand that you're seeing in terms of the data center pipeline, any quantification that you might be able to offer? And do you think there are characteristics of your service territory of Michigan that could attract those customers even without the legislation?

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

Yeah. I would say that two things, several things that make Michigan attractive. One is, natural disasters are not a part of the Michigan's repertoire. So, I think that makes it attractive. The access to water, fresh water, cool water and also our climate being cooler are all attractive. And of course, our energy rates and the fact that we've got capacity available that we could offer immediately, I think makes us attractive. So, those are the attractive features. I think what will make us even more attractive is the sales and use tax exemption. But there are some aggregators that are already having a sales and use tax exemption that got passed in 2015. So, I think we're seeing some action. We will see some action from that, regardless of the sales and use tax that's really targeting the hyperscalers, if you will.

So, more to come on this. You asked about how much demand are we seeing. Obviously, there are a lot of big numbers floating around in the industry. We're seeing demand numbers in the thousands of megawatts. So, that seems encouraging. And we want to work to land in the very first one. Hopefully that will – I believe that the sales

and use tax exemption is kind of holding some of that momentum back. But once that gets passed, I think that'll break loose a bit.

**David Arcaro**

*Analyst, Morgan Stanley & Co. LLC*

Great. Okay. Thanks. Appreciate it.

Q

**Operator:** The next question comes from the line of Michael Sullivan with Wolfe Research. Please go ahead.

**Michael P. Sullivan**

*Analyst, Wolfe Research LLC*

Hi, everyone. Good morning.

Q

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

Good Morning,

A

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

Hey, Michael.

A

**Michael P. Sullivan**

*Analyst, Wolfe Research LLC*

Hey, guys. Just picking up on some of these earlier questions. So, it sounds like the trading business is tracking better than expected or maybe just being conservative for now. But is there any offset year-to-date at the other segments? And is that whether at the utilities or is that being offset, and it's really a net-net the entire range is biased higher because of trading? Or is there an offset somewhere?

Q

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

I'd say we're in a good place across our businesses right now. We did see some challenging weather in gas. We had really cool winter so far and a very warm winter so far at Gas. So, we saw some challenge there, but we're working through that. But overall, we feel good about all of our businesses right now and we feel good about the opportunity that's going to give us to invest for our customers here in 2024 as we can pull forward some expenses and do some of the – some additional maintenance on our projects or in our lines for our customers.

A

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

Yeah. Mike, I'll just add to that. I would say that we're feeling like we're going to have a really strong year and we deferred a lot of non-critical maintenance last year that we'd like to pull back into the plan for the benefit of our customers and also for the benefit of creating success in 2025. So, I would say in this moment, we're back to our traditional planning process where we feel really good about 2024 and we're looking at what opportunities do we have to eliminate some of the sort of non-critical maintenance backlog that eventually becomes critical if you don't get it done. So, we're looking to pull that forward, which will not only benefit this year, but benefit our customers, but it'll also benefit our planning for 2025, which we are deep into at this point in time.

A

**Michael P. Sullivan**

*Analyst, Wolfe Research LLC*

Q

Okay. That makes a lot of sense. Appreciate the color. I think also in the quarter, this was adjusted out of earnings, but the gain on sale on equity investment at Vantage. Can you give any more color on what that was?

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

Yeah, there was a sale of one of our landfill gas projects and we got a gain on that sale as we were exiting one of those projects.

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

A

Yeah. We saw value in actually exiting, it was a partnership that we were exiting and we saw good value there. So, we took advantage of it.

**Michael P. Sullivan**

*Analyst, Wolfe Research LLC*

Q

Okay, great. And then, just last one for me is just how you're thinking about the election and what that means for your future planning, mainly with respect to resource planning and maybe some of the tax credits that you're realizing, if anything could change on the margin there in a Trump presidency Republican sweep scenario.

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

Sure. So, great question. You all are aware that last year, we had some mandates as it relates to a clean energy standards and also in RPS standard that was passed by the State. Any type of federal change in politics, I don't think will affect that. We will be mandated and required to achieve the RPS standard, as well as the clean energy standard, which drives a significant amount of investment for us. The other fact also is that, will require an act of Congress to change the IRA, and it would have to be a very significant majority in order to overcome the fact that a lot of these investments are going into, in our service territory, Republican dominated territories and there'll be significant interest. We see significant interest from those legislators to get the economic development, get the property taxes and the jobs that come with billions of dollars of investment. So, we're seeing at a local level really strong support for our solar developments. We are getting permitting, is moving quite nicely for us, a lot of community support. So, even though the politics could change, you would have to – the political landscape would have to change drastically in order to make a difference.

So, just to summarize, the RPS standards and the state mandates will drive the investment. And if the IRA was to change, it would make it perhaps less affordable, but we would be looking for offsets. But we view that as a low probability event.

**Michael P. Sullivan**

*Analyst, Wolfe Research LLC*

Q

Thanks so much. Appreciate all the color.

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

Thank you.



**Operator:** Your next question comes from the line of Andrew Weisel with Scotiabank. Please go ahead.

**Andrew Weisel**

*Analyst, Scotia Capital (USA), Inc.*

Hi. Thank you. Good morning.

Q

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

Good morning.

A

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

Hi, Andrew.

A

**Andrew Weisel**

*Analyst, Scotia Capital (USA), Inc.*

Two operational questions for you. First, on the tree trimming side, you're targeting a five-year cycle by the end of 2025. Where do you currently stand? Where have you been historically? And is there any challenge to getting to that target or should it be pretty straightforward to get there?

Q

**Joi M. Harris**

*President & Chief Operating Officer, DTE Energy Co.*

It should be pretty straightforward to get there. We may have some trailing areas that we may have to revisit. We are – right now, we've got about 80% on that five-year cycle. So, we're cleaning up some of the areas. We've revised our tree trim standard. We found that we had to go back to certain areas because the tree growth happened a lot quicker than we anticipated. So, I think, Andrew, we can anticipate that the five-year cycle will get us back on track and then we'll go back and revisit again and make sure that those areas that we did trim, that the tree growth stays as we anticipate, we may even expand it even further because we're seeing certain areas, the growth is much higher and more quickly returning than what we had initially anticipated.

A

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

Andrew, you'll recall that we got a tree trim surge approved by the commission where we took our investment in tree trimming from \$65 million a year to \$200 million a year about a handful of years ago, actually six years ago.

A

**Joi M. Harris**

*President & Chief Operating Officer, DTE Energy Co.*

Six years.

A

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

And that excess tree trim surge is being securitized, which is helping to smooth the impact for our customers while it provides that benefit to our customers over a longer period of time. So, we do have the financial resources to complete the surge. And as Joi said, we're actually fine tune it and probably will keep it going for a while as we go back and take down even more vegetation.

A

**Joi M. Harris**

*President & Chief Operating Officer, DTE Energy Co.*

Yeah.

A

**Joi M. Harris**

*President & Chief Operating Officer, DTE Energy Co.*

But it's having a really positive impact on reliability where we've done it.

A

**Andrew Weisel**

*Analyst, Scotia Capital (USA), Inc.*

Great to hear. Then, more broadly, Joi, on slide 8, you outlined a lot of those reliability efforts in the four categories. Are all of those efforts and the related spending fully embedded in the five-year CapEx plan? Or would achieving some of those required incremental above and beyond the \$25 billion five-year plan? And how much of that relies on the rate case outcome, both the current one and obviously future cases between now and then?

Q

**Joi M. Harris**

*President & Chief Operating Officer, DTE Energy Co.*

Andrew, it's all embedded in the plan and it is contingent on the rate case outcome and we'll hear tomorrow staff position. We also have the audit and we hope that, just based on the feedback that we've gotten from the audit that the auditors were supportive of, at least the way we laid out the plan. Now, there may be some movement between the programs based on their feedback, but generally speaking, the feedback we've gotten from the auditors supports our agenda.

A

**Andrew Weisel**

*Analyst, Scotia Capital (USA), Inc.*

Sounds great. Thank you so much.

Q

**Operator:** Next question comes from the line of Julien Dumoulin-Smith with Jefferies. Please go ahead.

**Julien Dumoulin-Smith**

*Analyst, Jefferies*

Hey, good morning, team. Thank you, guys, very much.

Q

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

Good morning, Julien.

A

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

Good morning.

A

**Julien Dumoulin-Smith**

*Analyst, Jefferies*

Appreciate it. [indiscernible] (00:46:48).

Q

Q

Hey, just to come back on this...

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

Good to hear your voice.

A

**Julien Dumoulin-Smith**

*Analyst, Jefferies*

Yeah. Thank you. Appreciate it. Just to come back to this nexus of affordability and growing tension between accelerating load growth and obviously the need to prioritize reliability and affordability. How do you think about, as you look at the expanding pie of opportunities, this balance between PPA and self-build, especially in light of the latitude afforded under the energy law? And even in light of what you know today, how do you think about that balance, just as you as you try to ensure ongoing affordability and a palatable CapEx budget?

Q

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

So, I'll start now and Dave can add. So, when we self-build, we find that we're more competitive, which means we end up being more affordable for our customers. PPAs with the financial compensation mechanism makes our product more expensive to our customers. So, I choose up affordability room. So that's thought number one. Thought Number two, from an investor sets, from a customer perspective, self-build is much more compelling than PPAs with an adder. Now, secondly, for investors, owning assets provides more value. And I think the EPS value is 2X to 3X for owning versus PPA. And that's fundamentally driven by the fact that these intermittent resources, the FCM only applies for the output of the product. So, that's what fundamentally reduces the value of an FCM for investors. So, that's – I'm not sure if that answers your question, Julien, but those are the two thoughts I can offer. Dave, do you want to add to that?

A

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

We do have PPAs built into our plan. We do have some PPAs built into our plan. But when it comes to our balance sheet can handle the amount of capital that we're investing, and as Jerry says, better for our customers and better for our shareholders to do that.

A

**Julien Dumoulin-Smith**

*Analyst, Jefferies*

Excellent. Yeah. Sounds like self-build remains the priority here for sure.

Q

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

Yeah

A

**Julien Dumoulin-Smith**

*Analyst, Jefferies*

Q

And then, related here, just a small nuance. Can you talk a little bit more about the custom energy solutions and [ph] stimulated (00:49:04) business, just any dynamics there on an ongoing basis as it pertains to Vantage? I know you've talked a little bit about it, but just to go back on that comment.

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

Well, we see good opportunities across the custom energy solutions business in particular as we're doing the central plant services for some more and more projects within the country. So, we have a good pipeline of projects there that we feel we can continue to grow and continue to drive. We have the project we talked about last quarter with Ford that is coming online in two stages this year. Some of those come online and more will come online. The second half will come online at the end of the year. So, we feel really good about that business and then our steam related business is just a solid performer for us.

**Julien Dumoulin-Smith**

*Analyst, Jefferies*

Q

Wonderful, guys. We'll speak to you soon. All right. All the best.

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

Thanks, Julien.

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

A

Thanks, Julien.

**Operator:** And next question comes from line of Anthony Crowdell with Mizuho. Please go ahead.

**Anthony Crowdell**

*Analyst, Mizuho Securities USA LLC*

Q

Hey, good morning, team.

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

Good Morning, Anthony.

**Joi M. Harris**

*President & Chief Operating Officer, DTE Energy Co.*

A

Good morning.

**Anthony Crowdell**

*Analyst, Mizuho Securities USA LLC*

Q

Hey, I have two questions. One of them for Dave. He had previously told me he gets upset without a lot of questions. Just Dave, I'm just curious when you think about levels of spending have been, maybe at all-time highs, not just DTE, across the industry, more severe spending, more severe storms. Do you ever think about the

company has a very healthy credit cushion right now, probably 200 basis points, 300 basis points on your FFO to debt metrics. Do you ever wonder if that's enough given where we are right now in the cycle of spend?

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

A

It's a good question, Andrew. Yeah. We do target the 15% to 16% FFO to debt. We think it gives us some – it does give us some good headroom to downgrade thresholds. And we met with all the rating agencies over the last quarter, and I think they're pretty confident in the level that we're at, too. So, we feel good about where we are with our balance sheet, our balance sheet metrics on that.

**Anthony Crowdell**

*Analyst, Mizuho Securities USA LLC*

Q

Great. And then, just one follow up, I think was kind of to an earlier question. You mentioned a lot of the economic growth on slide 6, a lot of opportunity. And then, when I look at slide 14, as you highlighted earlier, we look at the demand growth or the customer growth or load growth for the year. It's trending about 1%. When you get all those economic activities in service, what do you think is long-term sales growth?

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

We do see it about in that range for, I think, our base economic sales growth, with data centers and how that comes in could play in a little differently. And then, when we look out a little bit further, EV load is another thing that could drive some of our residential load up a little more kind of in the long term as well. But kind of – it's pretty consistent with what we're seeing right now is what our longer term forecast is.

**Anthony Crowdell**

*Analyst, Mizuho Securities USA LLC*

Q

Great. Thanks for taking my questions.

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

Yeah. Thanks for the question too, Anthony.

**Operator:** Your next question comes from the line of Travis Miller with Morningstar. Please go ahead.

**Travis Miller**

*Analyst, Morningstar, Inc. (Research)*

Q

Thank you. Good morning, everyone.

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

Good Morning.

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

A

Hi, Travis.

**Travis Miller**

*Analyst, Morningstar, Inc. (Research)*

Q

You answered most of my questions, but just a couple of things here. With respect for the – with respect to the rate case, are there any new interveners that either you're seeing filed or you expect to file here versus the last rate case or rate cases?

**Joi M. Harris**

*President & Chief Operating Officer, DTE Energy Co.*

A

Yeah. There are new interveners in the Gas case, for sure and new interveners in the Electric case. But as I said before, even with the level of intervention we're seeing now, the MPSC would have to move to likely a contested settlement, and that would increase our chances of settlement. Aside from that, we still feel confident that we can get a constructive outcome regardless. But yeah, a lot of activity in the rate case space more than we've seen in recent history.

**Travis Miller**

*Analyst, Morningstar, Inc. (Research)*

Q

Sure. Any way to bucket what those new interveners want or their agenda or what they're contesting or not contesting?

**Joi M. Harris**

*President & Chief Operating Officer, DTE Energy Co.*

A

We'll know with certainty tomorrow, for sure. But what we've seen in the Gas case is some environmental groups, more environmental interests in natural gas. That's generally what we're seeing.

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

You know what happened in legislation last year, there was an increase in intervenor funding and that has spurred more interveners because there's more. So, I think that's part of the challenge that we have and why there's been so much more activity is that the funding allowed by legislation has created much more activity.

**Travis Miller**

*Analyst, Morningstar, Inc. (Research)*

Q

Very Interesting how that works. One other question here. All the discussion about reliability, which obviously make it into the rate case is also – is that more of a positive in terms of giving you support to get more investment, get more spending approved? Or are you seeing more of a negative right now in terms of pushback on potential rate increases, if you could characterize those?

**Joi M. Harris**

*President & Chief Operating Officer, DTE Energy Co.*

A

I would say, I think we're all aligned in that we want to improve the reliability of the grid. The question becomes, how – what's the best way to do that? And we believe that, that was the purpose of the audit is to examine and get everyone aligned on how we go forward in improving the reliability, near term and then into the future. So, I think the audit results will go a long way in building, I say, alignment and consensus on what the path forward should be.

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

Yeah. And I would say that the audit was really came as a result of the commission wanting to make sure that we were doing all we could to drive reliability improvements. And so, I would expect I don't believe that this audit will say, which has been less on reliability improvements. I think it will, like Joi has said, here a few times, that I think it may shift things between different buckets. But overall, I think there'll be a strong endorsement to continue to invest heavily in reliability, especially driven by the age of our system. I think that has become pretty evident [ph] in the audited (00:55:46) that it requires significant investment as we are proposing to improve the quality of that system over time.

**Travis Miller**

*Analyst, Morningstar, Inc. (Research)*

Q

Okay. Great. Will those audit results be able to make it into this rate case or will it be future rate cases?

**Joi M. Harris**

*President & Chief Operating Officer, DTE Energy Co.*

A

Not well, the audit comes out in September. It can't be a part of the record necessarily. So, it probably won't make it into formally into this rate case.

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

But it may influence.

**Joi M. Harris**

*President & Chief Operating Officer, DTE Energy Co.*

A

It may influence, right.

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

That's okay. Yeah. It's the buckets of investment, perhaps.

**Travis Miller**

*Analyst, Morningstar, Inc. (Research)*

Q

Okay. Okay. Great. Thanks so much. Appreciate the time.

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

A

Thank you.

**Operator:** I will now turn the call back over to Jerry Norcia for closing remarks. Please go ahead.

**Gerardo Norcia**

*Chairman & Chief Executive Officer, DTE Energy Co.*

Well, thank you, everyone, for joining us today. I'll just close by saying we're feeling really positive about 2024, as well as our position for future years. And I hope you have a great morning and stay healthy and safe.



**Operator:** Ladies and gentlemen, this concludes today's call. Thank you all for joining. And you may now disconnect.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2024 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.