

# PNM Resources, Inc. NYSE:PNM

## FQ2 2024 Earnings Call Transcripts

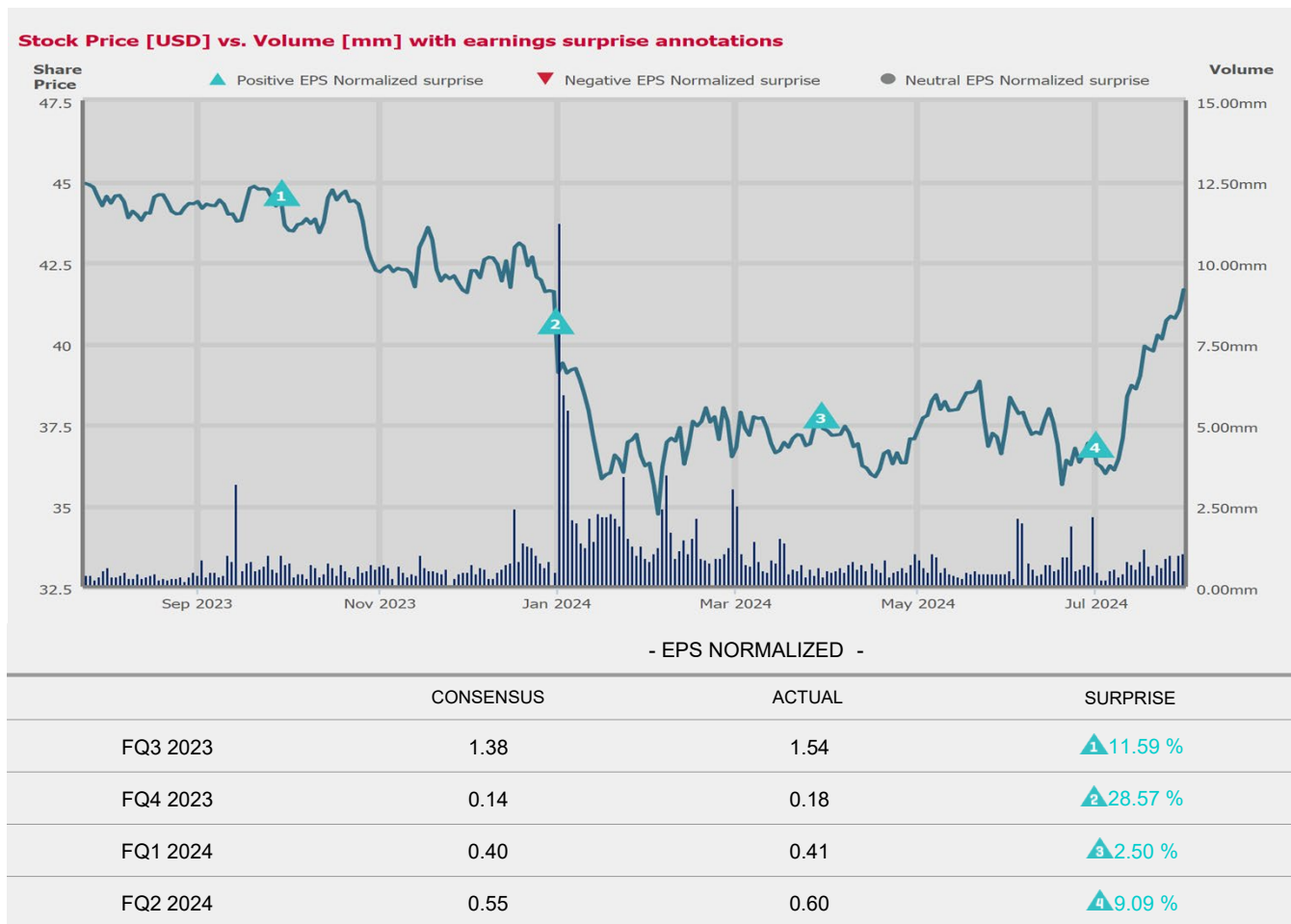
Wednesday, July 31, 2024 3:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ2 2024-			-FQ3 2024-	-FY 2024-	-FY 2025-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	0.55	0.60	▲9.09	1.45	2.71	NA
Revenue (mm)	481.02	488.10	▲1.47	555.01	2080.89	NA

Currency: USD

Consensus as of Jul-29-2024 10:11 AM GMT



# Table of Contents

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

# Call Participants

## EXECUTIVES

Elisabeth A. Eden  
Senior VP & CFO

Joseph D. Tarry  
President & COO

Lisa Goodman  
Executive Director of Investor Relations

Patricia K. Vincent-Collawn  
Chairman & CEO

## ANALYSTS

Jonathan Garrett Reeder  
Wells Fargo Securities, LLC, Research  
Division

Julien Dumoulin-Smith

Michael B. Lonigan  
Evercore ISI Institutional Equities,  
Research Division

Nicholas Joseph Campanella  
Barclays Bank PLC, Research Division

Ryan Michael Levine  
Citigroup Inc. Exchange Research

# Presentation

Operator

Good Day, and welcome to the PNM Resources Second Quarter 2024 Earnings Conference Call. [Operator Instructions] Please note this event is being recorded.

I would now like to turn the conference over to Lisa Goodman, Investor Relations. Please go ahead.

Lisa Goodman  
Executive Director of Investor Relations

Thank you, Danielle, and thank you, everyone, for joining us this morning for the PNM Resources Second Quarter 2024 Earnings Call. Please note that the presentation for this conference call and other supporting documents are available on our website at [pnmresources.com](http://pnmresources.com).

Joining me today are PNM Resources' Chairman and CEO; Pat Vincent-Collawn; President and Chief Operating Officer, Don Tarry; and Senior Vice President and Chief Financial Officer, Lisa Eden. Before I turn the call over to Pat, I need to remind you that some of the information provided this morning should be considered forward-looking statements pursuant to the Private Securities Litigation Reform Act of 1995. We caution you that all of the forward-looking statements are based upon current expectations and estimates and that PNM Resources assumes no obligation to update this information. For a detailed discussion of factors affecting PNM Resources' results, please refer to our current and future annual reports on Form 10-K, quarterly reports on Form 10-Q as well as reports on Form 8-K filed with the SEC.

With that, I will turn the call over to Pat.

Patricia K. Vincent-Collawn  
Chairman & CEO

Thank you, Lisa. [Foreign Language], and thank all of you, and good morning. This is one of our favorite national days, National Avocado Day. But since this is the third time our earnings call has fallen on Avocado Day this decade. We haven't given much credit to the other days recognized on July 31. But today, we are changing that.

In 1970, the British Royal Navy sadly ended its daily rum ration, or tot, on July 31. So we're commemorating Black Tot Day. Sailors gathered for more than 200 years from 11 a.m. to noon to enjoy their daily tot, although we are going to wait for ours for later this evening.

I'll start on Slide 4 with our financial results and company updates. Ongoing earnings for the second quarter are \$0.60, above our expectations. We are affirming our 2024 guidance at a range of \$2.65 to \$2.75, and we are also affirming our long-term targets. Lisa will provide more detail on the numbers and our expectations for the year. Don will provide highlights from our utility operations, along with some color about our upcoming system resiliency plan filing in Texas and other infrastructure investment areas.

Before that, I have a couple of company updates. First, the reason behind our holdings [indiscernible] this morning, our shareholders will be overwhelmingly approved our name change. And next week, we will officially operate as TXNM Energy. This name better represents the entirety of our business as TNMP is currently 40% of our rate base and grows to be our largest jurisdiction over the next few years. On Monday, we will visit the New York Stock Exchange for the opening bell to mark our first day of trading under the TXNM stock ticker.

I also want to provide some comments in response to the events recently impacting our service territories. In New Mexico, many of you followed the South Fork and Salt fires in June that begin outside of our service territory and then moved into the area of Rio do Sul. In July, Hurricane Beryl knocked out power for approximately 116,000 of our Texas Gulf Coast customers. In both cases, our #1 focus was safely restoring our customers. Our teams live and work in these same communities. Customers are family, friends and neighbors. We recognize that having power is necessary for daily life, and we do not take our responsibility lightly. As weather events become more extreme, we need to continue our strong focus on mitigation and preparation efforts and on system resiliency and system hardening. The system resiliency plan we will file in Texas is 1 example of this.

The response from our team at both PNM and TNMP was remarkable. And I can't say enough about our crews at our mutual assistance crews that went into these areas to restore service to our customers. As we move forward, we will continue to look for opportunities to continue improving our customers' experience, by advancing our grid infrastructure.

With that, I'll turn it over to Don.

Joseph D. Tarry  
President & COO

Thank you, Pat, and good morning, everyone. I'll pick up on Slide 6 with highlights for the quarter at TNMP and PNM. At TNMP, we reached another all-time system peak in May at just over 2,700 megawatts, 6% higher than our summer peak last year. Since 2020, our system demand in Texas has grown at a 10% compound annual growth rate, driving an increased level of investments to expand our infrastructure, to keep up with our customer demand. This year, we have experienced an increased number of storms, most notably Hurricane Beryl earlier this month. Before Beryl hit, we enacted our emergency operation plan, which brought in additional TNMP crews and contractors and stage them strategically throughout the service territory in advance of the storm. Additional TNMP crews were also put on standby in our North Central service territory just in case the storm impacted those areas. Ultimately, it did not. And these crews along with mutual assistance were brought into our Gulf Coast area for storm restoration. As Pat mentioned, over 116,000 of our customers had lost the power when the storm passed. Our industrial customers did not lose service. Once we were able to safely get crews into our field restoration begin and 50% of our customers were back online within 24 hours, leaving only those areas with significant tree removal and rebuild left to restore. Our teams worked around the clock until the last customer was restored. Storm like Beryl are 1 type of extreme weather event that is considered in our system resiliency analysis that we plan to file next month.

Well, I'll come back to that in a minute to discuss in more detail. Our regulatory updates in Texas, TNMP's investment plan over the last 2 decades has been in response to growth, like we've seen in our system peak. Our TCOS and our DCRF filings reflect these investments, and these capital recovery mechanism reduced the regulatory lag on these growing amounts. The first of our 2 filings this year for both transmission and distribution recovery have been approved and implemented, recovering \$300 million of investments placed into service last year. Our second set of filings were submitted this month, capturing the investments placed into service through the end of the second quarter.

Now shifting over to PNM. At the end of the quarter, our 2 6-megawatt batteries approved last year for our distribution system became operational. This is a new solution for reducing constraints on our feeders and we plan to use the next few months to calibrate the operation use to best benefit our customers. Our capital plans assume we will place another 30 megawatts or five 6-megawatt units, on our system over the next couple of years. We are studying these batteries to confirm they are functioning as expected. Once our assessment is complete, we'll bring forward that plan for additional installation before the commission.

Before moving into PNM's regulatory items, I'll speak to our team's response to the South Fork and Salt fires that at their peak displaced around 10,000 new Mexicans. Although these fires started outside our service territory, we closely monitored as they approached the areas in which we have infrastructure. Our team is quickly integrated with first responders and local state and federal incident command centers to deenergize and reenergize lines in the manner that best supported emergency responders. We also prepared crews and secured mutual assistance, including TNMP crews so that we could begin to rebuild lines and restore customers as quickly as possible. The work we have done in updating our wildfire mitigation plan and establishing our public safety power shutoff plan in May helped us in our preparation planning and coordination. Once it was being safe to return, PNM crews, along with mutual assistance crews worked around clock to rebuild our system that was impacted by the fire. We have also provided funding and resources to leaders of this community as they work to rebuild.

We also have a few regulatory updates for New Mexico. We filed our annual update to FERC formula rates which incorporated \$120 million of new investments, reflecting a 23% increase. At the New Mexico Commission, we received approval during the quarter for our 2026 resource adequacy filing which proposed 410 megawatts of resources to serve growing customer demand, including 60-megawatt owned battery. We also have plans for grid modernization investments that are tied to a filing in front of the commission. The plan includes integration of smart meters at PNM, which opens the door to more advanced rate structures and customer offerings. We requested approval for 6 years of investment as a part of a longer 10-year plan with recovery through a rate rider. We expect a recommended decision from the hearing examiner and a commission decision during the third quarter. And last but certainly not least, we submitted our 2025 rate request to the commission on June 14. The filing is for a future test year running from July 1st of 2025 through June 30, 2026. To help mitigate impacts on customers, we requested a phase-in implementation for new rates, half of the requested nonfuel increase would be implemented on July 1st of 2025, and the other half in January of 2026. We are still very early in the process based on procedural schedules issued by the hearing examiner, a deadline for stipulation or intervenor testimony in the case is late November, and hearings are scheduled to begin in late February of next year. You can find more details about our filing in the appendix.

Turning to Slide 7. The resiliency legislation passed last year in Texas is a different way of investing in the grid beyond just demand growth. The commission rules for a system resiliency plan recommends a third-party assessment and we engaged experts to identify ways to improve our systems response to extreme events. Our study models a variety of the weather events that have impacted our

service territory over the last 20 years. Because we have a service territory in 3 areas, Central and North Texas, the Gulf Coast and West Texas. This includes a wide variety of events. The model looks at the type and age of our infrastructure in different areas, along with our customer base, and it identifies the areas and investments with the highest benefit with respect to cost.

We expect to submit our filing in mid-August. It will incorporate available information and lessons learned from Hurricane Beryl. We estimate that our filing will include approximately \$600 million of capital investments, which is \$150 million higher than the amounts previously included in our investment plan. The filing also allows for a deferral of depreciation expense or incremental distribution O&M to the balance sheet until the matching recovery of these amounts begin. The approach goes a step further than TCOS and DCRF filings to eliminate regulatory lag. The state legislation called for a 6-month approval process for the resiliency filing, which we would put the deadline for our approval in the first quarter of 2025.

Turning to Slide 8. I'll cover other items that will advance our infrastructure. Texas legislation also called for a study on the development of transmission in West Texas with a more forward-looking view on potential new load. ERCOT has been providing updates on its study for needs in the area by 2030 and 2038, with significant increases in demand and additional investments needed in the area. ERCOT filed 2 reliability plans for West Texas last week, a 2030 plan and a 2038 plan. Over the coming months, we will work with the ERCOT regional planning groups, the commission and other transmission service providers in the area to gain clarity around the level of investment for T&D projects. The original time line had been for the commission to provide an order by September, but we will need to see how they will likely proceed. And lastly, in Texas, the commission has published its proposed rules for mobile generation for comment, and we expect the rules to be finalized by the end of the year. We think mobile generation is a valuable resource in some of our more rural parts of our service territory, we will look to the final rules before making a proposal and incorporating into our plans.

In New Mexico, we will be filing a proposal in the fourth quarter for new resources to be in service in 2028. New Mexico is limited on available transmission capacity, and any new resource will likely require associated transmission investments. Looking forward, we will need to consider new transmission investments to meet the growing demand on our system and across the Southwest. Expansion would also provide for increased utilization of generation resources particularly New Mexico's high wind and solar potential and also strengthen our ability to secure cost benefits for PNM customers. We have been developing a 20-year transmission plan, which includes evaluating alternatives for expanding capacity on our system. We will collaborate with stakeholders on each of these investment opportunities to ensure we are bringing benefits to all our customers.

With that, I'll turn it over to Lisa for a more detailed look at the numbers.

**Elisabeth A. Eden**  
Senior VP & CFO

Thank you, Don, and good morning, everyone. I'll start on Slide 10 with a summary of the key year-over-year changes in the second quarter. Earnings per share was \$0.60 compared to \$0.55 in the prior year. Recovery of capital investments through TCOS and DCRF mechanisms at TNMP increased earnings year-over-year. In addition, the implementation of new retail rates of T&M in January, based on a future test year of 2024, contributed to increased earnings, low growth at PNM, combined with hotter temperatures, listed PNM above our expectations. While TNMP experienced increased usage from hotter temperatures, this was offset by a shift from demand-based billings to a transmission rate structure for certain data centers. Income from our PNM decommissioning trust also increased earnings based on market performance. Offsetting these increases would reduce PNM transmission margins due to lower market prices this year. Continued investments in capital projects to serve growing customer demand resulted in increases to depreciation, property tax and interest expense year-over-year.

Now turning to Slide 11, I'll cover our guidance assumptions for the rest of the year. We are affirming our annual guidance range for 2024 of \$2.65 to \$2.75. We are ahead of expectations in the first half of the year. We will revisit our year-end assumptions next quarter given the third quarter typically accounts for the largest portion of our earnings.

On Slide 12, we're also affirming our long-term target. We have rate base growth of 10% based on our existing capital clinic, which do not yet incorporate the additional \$150 million refilling the investments at TNMP. We will update our capital plan next quarter. In the meantime, I'll provide updates on our financing plans.

In June, we completed our planned issuance of \$550 million of junior subordinated convertible notes. We received both favorable pricing and a 50% equity credit. Not only does this enable us to refinance the large portion of our holding company does, but it also benefited our income statement and balance sheet. We were pleased with our success in issuing these notes, which underscores the market appreciation of our growth opportunities. In addition, we issued debt at both PNM and TNMP to support this year's utility

investments. Looking forward, we expect to refinance the remaining portion of our corporate term loans in a similar favorable manner. We're focused on ensuring that our credit metrics and balance sheet continue to stay strong as we grow the business.

We plan to issue an average \$100 million of equity per year to fund planned capital investments through 2028. We continue to assume that additional investments will be financed with 40% to 50% equity. Finally, our 2024 and 2025 interest rate hedges will help reduce volatility from fluctuations to interest rates. We have \$600 million in place this year and \$300 million in 2025. All in all, we are executing against our plans, and we are on track to deliver on our earnings growth target of 6% to 7% through 2028.

With that, I'll turn it back over to Pat.

Patricia K. Vincent-Collawn  
Chairman & CEO

Thank you, Lisa. Before we open it up for questions, I again want to recognize our employees that dropped everything in their lives and went out to restore our customers, both at PNM and TNMP. Crews from both of our utilities, along with those from other mutual age utilities and our support personnel looked for ways to help the impact of communities and provide examples of what it means to put our customers first. The crews worked long days and nights in keeping each other safe, while pushing ahead.

This is our company's spirit and showcases our values of safety, caring and integrity. To all of our employees, thank you. You are appreciated, not only for what you do, but for how you do it. Danielle, let's open it up for questions.

# Question and Answer

Operator

[Operator Instructions]

The first question comes from Julien Dumoulin-Smith from Jefferies.

Julien Dumoulin-Smith

Hey, look, it's -- you guys have had a fun time in the interim, lots to talk about here. So maybe just kicking it off here on the -- just on the resource filing here. I'm actually curious just to talk through this a little bit, right? You've done this resource filing, there's a good chunk of PPAs within the total. I mean how do you think about ownership and utility-owned assets at this point? Obviously, storage is kind of an interesting tuner. That's a key piece of the ownership piece. But how do you think about the eligibility for other assets here, especially given what you put in forth in the research filing here.

Joseph D. Tarry  
President & COO

As you think about the 2026 resource filing, any time we do a resource filing, it's heavily focused on whatever benefits our customers and can best utilize our grid for reliability purposes. And so that's the core of how we evaluate our RFPs. I will point out in the 2026 resource filing that we received approval for last quarter. It was a mix. It was a mix of company-owned. We got approval for a 60-megawatt battery that we could utilize to best benefit the grid that benefited our customers. And then PPA, solar and battery as well. As we look forward to the 2028 resource, we're in the process of going through that filing right now and the RFP process. And I wouldn't want to get ahead of the regulatory process. And again, I mean, it's focused on the benefits of the customer. I will point out in the -- as I talked about it, that the transmission -- we're transmission-constrained as we add new resources. So there's always transmission opportunities as well, too.

Julien Dumoulin -Smith

Yes. All right. You preempted my follow-up on '28, which is the logical next step. So indeed, we'll stay tuned on that. Now the next piece of this, though, is as you say, right, transmission -- you're transmission constrained. You've got ERCOT leading the charge on this effort to implement legislation. How could that change the outlook here, right? So 2028 resources would imply that you need transmission prior, right, in the 5-year outlook. By contrast, ERCOT, they talk about 2030, could that have an impact in the medium term here in the next 5 years?

Joseph D. Tarry  
President & COO

I believe it would. And let me give you just a run through a quick history of where they're at in that process. Legislation was developed in 2023 and approved to focus on the growth that we're seeing in other transmission and distribution providers are seeing in Texas. That report was just filed with the commission from ERCOT. And to kind of give you a feel, ERCOT, when they file the report, said 24 gigawatts of load is expected by 2030 in Texas and the West Texas area with another 3 gigawatts by 2038. ERCOT went through a process of coming up with a couple of different options. And at the same time, ERCOT is studying the whole ERCOT area as well to the other locations within ERCOT. And so the 2 options that they came up with were very focused on what we would say a 3.45 kV kind of structure and then another 2 extra high-voltage options.

And so they just filed that report on the '26 with the commission, and they recommended that the commission give it a few more months so they can study the whole state as it relates to the extra high-voltage option. But the caveat that they put in there is under either option, there's about \$4 billion of investments in the West Texas area that could proceed under either. So the commission now has that, and they have until -- or they look to -- based on legislation in September that they will have some decision on that. And they've already sent out questions to the transmission and distribution providers with an August 9 comment period. For us, it depends on what comes out of that, but we do see upside associated with that.

Julien Dumoulin -Smith

Got it. Excellent. And then lastly, on mobile gen I mean just the latest development shift, how you're thinking about tackling that opportunity. just maybe what would be relevant to install or what have you. Again, obviously, it's gotten a certain degree of attention here of late.



Joseph D. Tarry  
President & COO

Thanks, Julien. Good question, especially based on some of the comments over the last month or so. Our focus has always been let the rules get developed, and that's where the process is. Our focus, given our service territory and the needs that we have, have always been based on -- to kind of give you a feel, mobile generation that's 500kW to 1 megawatt that we could actually move around that's necessary for our rural areas. So I don't believe that, that will change in our focus as we move forward. We see this very beneficial. So...

Operator

The next question comes from Nick Campanella from Barclays.

Nicholas Joseph Campanella  
Barclays Bank PLC, Research Division

I wanted to ask on the resiliency filing. Just this is essentially 0 lag capital. So when you layer that into the plan, you still need -- we still need to be kind of thinking about that 40% to 50% equity funding factor that you discussed? Or just how should we kind of think about that?

Joseph D. Tarry  
President & COO

Well, I think first element is we had assumed \$450 million. This is a 3-year resiliency filing, so it covers \$25 million to \$27 million. We would look to make another resiliency filing for the period of '28 to '30 in 2027. So keep that in mind. \$450 million of the capital was already assumed. What was added or what we expect to add in the August time frame when we actually file the resiliency file will be another \$150 million.

Elisabeth A. Eden  
Senior VP & CFO

Yes. And Nick, we -- our objective is to continue to balance equity and growth to create value. And so we are always been transparent with our equity funding needs. And so when we update our capital plans in Q3, we will provide more transparency regarding our equity assumptions in our model.

Nicholas Joseph Campanella  
Barclays Bank PLC, Research Division

That's great. I appreciate that. I just wanted to ask on New Mexico rate case process quickly. you talked about stipulation and intervenor testimony, I believe, in November, but is it still the case that just you expect intervenor testimony to come out regardless of the ability to achieve a stipulation? Just wanted to confirm that.

Joseph D. Tarry  
President & COO

It depends. I think -- I want to kind of think about it as you think about the timing is right now, it's very early in the process. We filed in June. What's going on right now is there's discovery by intervenors to understand the different components of what we filed. My guess is ahead of November, clearly, there'll start to be some discussions associated with that. And traditionally, it's been a couple of months before that. You kind of let the intervenors get through asking their questions and getting to understanding and then you can kind of move to settlement discussions ahead of the November period.

Operator

The next question comes from Michael Lonigan from Evercore ISI.

Michael B. Lonigan  
Evercore ISI Institutional Equities, Research Division

So you identified \$150 million of incremental Texas CapEx through the '27 period for the resiliency filing and you talked about another one for '28 to '30. Just wondering how much is baked in your current plan through '28 or in '28 for resiliency spending? And what could be incremental upside there?

Joseph D. Tarry  
President & COO

Yes. So what's baked into our plan is \$450 million from 2025 to 2027. So when you think about out there, that will be a whole new filing. It's not baked into our current capital, for '28 and beyond.

Michael B. Longan  
Evercore ISI Institutional Equities, Research Division

Got it. And then going back to the New Mexico rate case settlement, you have the potential settlement. You have the controversial legacy issues behind you pertaining to Four Corners prudency and Palo Verde leases. Obviously, it's early in the case, but do you see a much stronger possibility you could settle? Obviously, if so their SPS subsidiary reached a settlement not too long ago.

Joseph D. Tarry  
President & COO

I think given the legacy cases, puts us in a better position to sit down with the intervenors. I don't want to jump out there today and see you got to see what their concerns are after they do their discovery and then sit down and have a discussion. So...

Operator

The next question comes from Jonathan Reeder from Wells Fargo.

Jonathan Garrett Reeder  
Wells Fargo Securities, LLC, Research Division

Actually, all my questions have been asked and answered, so I'm all set.

Operator

The next question comes from Ryan Levine from Citi.

Ryan Michael Levine  
Citigroup Inc. Exchange Research

In terms of the ERCOT Permian transmission opportunity. In your earlier question, you highlighted the \$4 billion that's local. I guess, the common local upgrades. Is that what you're highlighting that specifically related to your service territory? And do you see any opportunities in the import pass or incremental local upgrades that are outlined in the filing?

Joseph D. Tarry  
President & COO

In the \$4 billion, absolutely, we see opportunities there. Right now, what the PUCT will do -- well, based on the questions that they sent out, they'll have to kind of sort through which utilities get those upgrades. I think as you look broader, when the other options are out there, there's potential for those as well, too, when ERCOT finishes their full study. But for the \$4 billion, a lot of these are in our backyard, so they're great opportunities.

Ryan Michael Levine  
Citigroup Inc. Exchange Research

Okay. And then what are the main components of the incremental \$150 million in the Texas resiliency filing? And how has stakeholder engagement or dialogue regarding the hurricane impact your CapEx outlook?

Joseph D. Tarry  
President & COO

Yes. The first question is, we haven't filed yet. So I don't want to get out there ahead of the filing. So we'll file it and then we can have a lot more in-depth conversation of the breakouts associated with it. I will tell you the hurricanes and restoration, like we do with all of storm events, we have after action reviews. We look at opportunities that we did really well out. And I can't say enough about our folks in the mutual assistance crews that Pat alluded to, did a tremendous job. But there's always areas that you can improve on. There's always areas that as you move forward as it relates to resiliency, that you need to look at. And so that's what we're going through right now. So I think the hurricane does play a role of what additional areas do we need to really focus on. And that's why we've kind of waited a little bit longer to kind of go through that and make our filing in August.

Ryan Michael Levine  
Citigroup Inc. Exchange Research

And has there been any change to your tree trimming or veg management program in response to what's happened elsewhere in the state?

Joseph D. Tarry  
President & COO

We've continued to increase our veg management in Texas and the tools that we utilize as well, too. So I think as you look at the resiliency filing, there's opportunities to do just based on the way the legislature has designed even additional veg management. So -- and I would remind you that in Texas, specifically in our service territories, there's a good portion of what caused the outages there that were outside of our right-of-ways. But that's working with communities and as well as the PUCT and legislatures or how you fix to solve that piece of the puzzle as well, too. And I think that's probably one of the bigger learnings that came out of this hurricane.

Ryan Michael Levine  
Citigroup Inc. Exchange Research

Just one follow-up on that, and then I'll hand if anyone else's questions. In terms of the percentage of veg management that may be associated with trees that aren't within your right of ways. Do you have a sense of what that is for your service territory?

Joseph D. Tarry  
President & COO

Yes. For this specific hurricane, it was in the range of 55% to 60%. .

Operator

This concludes our question-and-answer session. I would like to turn the conference back over to Pat Vincent-Collawn for closing remarks.

Patricia K. Vincent-Collawn  
Chairman & CEO

Thank you again for joining us this morning. Enjoy your rum this evening. I'm pleased to announce to watch Lisa Eden ring the opening bell at the New York Stock Exchange this coming Monday morning. Stay safe.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.

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.