# US Tariff Exposure Basket

Identifying companies with higher exposure to tariffs.

**Morningstar Equity Research**
April 8, 2025

**Contents**




Ioannis Pontikis
Director of Equity Research, Portfolio Construction
ioannis.pontikis@morningstar.com

Tyler Dann
Director of Equity Research, Methodology
tyler.dann@morningstar.com




## Introduction

Tariff headlines continue to roil global equity markets, and pinpointing which stocks are most sensitive to new or increased tariffs has become a priority for many investors. To that end, we conducted a focused event study around the latest "Liberation Day" tariff announcement, seeking to measure whether companies with higher exposure to trade disputes experienced discernibly different short-term stock reactions compared with the broader market.

## Methodology

### 1. Defining the Event Window

We identified the tariff announcement date—referred to here as "Liberation Day"—and set a narrow event window around it. Specifically, we looked at one business day before the announcement (to capture any leaks or rumors) through one business day after (giving us a total of three trading days around the event).

### 2. Calculating Excess (Abnormal) Returns

- We merged daily stock returns with the Morningstar US Target Market Exposure Index to isolate each security's excess return.
- We then summed each stock's excess returns across the event window to arrive at a Cumulative Abnormal Return. This captures how much each stock out- or underperformed relative to the benchmark in the period surrounding the tariff announcement news.

### 3. Analysts' Qualitative Input

To supplement the raw performance metrics, we asked our US equity sector directors to categorize each industry group's primary reason for its observed price reaction:

- Direct (First Order) Impact from tariffs (for example, heightened import costs or direct benefits due to reduced foreign competition).
- Indirect (Second Order) Effects or other macro concerns (for example, possible recession fears, broader shifts in consumer confidence).
- Company-Specific Reasons (unrelated events like a product recall, merger news, or management changes overshadowing tariff impact).

### 4. Final Screening

We filtered the companies that:

- Fell into industries flagged as having "Direct (First Order)" tariff exposure (that is, rating = 1), and
- Posted a cumulative abnormal return of less than negative 5% (indicating significant underperformance relative to the benchmark during the event window).

The result is a "Tariff Exposure Basket," a list of names that appear especially sensitive to the threat (or implementation) of new trade restrictions.

**Takeaways by Industry**

Below, we summarize the rationale for the industries that received the "1: Direct (First Order)" designation and, therefore, contributed companies to our final screening.

- **Vehicles & Parts**
  Global supply chains for auto components and final assembly are sensitive to new tariffs on steel, aluminum, and other imported parts. Heightened import duties tend to pressure margins quickly if costs cannot be passed on to consumers.

- **Manufacturing – Apparel & Accessories**
  Many apparel and accessory firms rely on overseas factories (particularly in Asia). Tariffs directly increase input or finished-goods costs, which can compress profit margins. Some names in this category showed particularly sharp underperformance, reflecting immediate investor concern.

- **Retail – Cyclical**
  Retailers that import significant merchandise, especially discretionary/cyclical goods, face cost headwinds if tariffs rise. In turn, they may be forced to raise prices or sacrifice margins, both of which spook investors anticipating softer consumer demand.

- **Retail – Defensive**
  Defensive retailers (for example, grocery chains, discount stores) still import goods, so direct tariff effects can hit their product costs. While "defensive" typically implies they fare better in a downturn, new trade barriers can still disrupt supply chains and compress margins in the near term.

- **Medical Devices & Instruments**
  Many device and diagnostics companies rely on specialized imported components or have manufacturing facilities abroad. Even seemingly niche subcomponents can be subject to higher import tariffs, potentially raising production costs or delaying shipments, hence the direct classification.

- **Industrial Distribution and Industrial Products**
  Firms in these segments typically move large volumes of parts, equipment, and machinery—much of which is sourced globally. An abrupt jump in tariffs can have a clear and immediate margin impact, which investors quickly price in.

- **Hardware and Semiconductors**
  Both technology hardware manufacturers and semiconductor companies often have complex, globally dispersed supply chains. Extra duties on raw materials or intermediate chips can affect costs, while tighter trade restrictions may disrupt demand from overseas customers.

**Spotlight on Specific Names**

**1. Apparel & Retail**

RH **RH** | negative 30.0% CAR

Despite strong brand recognition and an exemplary record of reinvesting capital, RH's fortunes remain heavily tied to high-end home furnishings largely sourced overseas. Investors appear to be pricing in the risk of immediate margin compression, especially since management does not enjoy wide-moat pricing power to fully offset tariff-driven cost increases in a discretionary retail segment.

- Capri Holdings **CPRI** | negative 20.3% CAR
  Capri (parent of Michael Kors, Versace, Jimmy Choo) has significant exposure to international manufacturing. A Very High Morningstar Uncertainty Rating captures the brand-driven yet fiercely competitive nature of luxury fashion. The market reaction suggests concern that additional tariffs on imported goods could crimp margins and stall top-line growth in critical geographies.

- VF **VFC** | negative 19.4% CAR
  VF owns well-known labels (for example, The North Face, Vans, Timberland), many of which rely on outsourced manufacturing. Its steep negative CAR is likely driven by the expectation that direct tariff hits to apparel will be tough to pass on to cost-sensitive consumers, particularly in a more cautious spending environment.

- Wayfair **W** | negative 16.5% CAR
  E-commerce home-furnishings retailer Wayfair already operates on thin margins. Tariff surcharges on furniture and household goods, much of which is imported, could stoke considerable investor anxiety about future profitability, despite ongoing rapid revenue growth.

- Kohl's **KSS** | negative 13.9% CAR
  Another major big-box retailer with broad apparel and home-goods exposure, Kohl's faces a tough environment if tariff-driven product cost inflation outpaces its ability to either renegotiate supply contracts or pass costs to value-focused consumers.

- Under Armour **UAA** | negative 9.5% CAR
  Although Under Armour is a global athletic-apparel competitor, it lacks the brand muscle (and wide moat) of Nike **NKE**, leaving less room to raise prices. Short-term investor concern around apparel-import tariffs likely explains the amplified negative share reaction.

- Urban Outfitters **URBN** | negative 8.9% CAR; Lululemon Athletica **LULU** | negative 5.9% CAR
  In the specialty retail space, supply-chain tariffs can quickly dent margins, particularly for fashion-driven businesses. Although Lululemon's brand loyalty is relatively strong—the stock has a Morningstar Economic Moat Rating of narrow—the short-term shock still triggered a notable (negative 5.9%) underperformance in the event window.

**2. Cyclical & Specialty Retail**

- Best Buy **BBY** | negative 11.2% CAR
  As a major electronics retailer, Best Buy depends on imported gadgets and appliances. A narrow moat from its strong brand and integrated services may help somewhat in the long run, but the market remains cautious about near-term import-cost spikes.

- Gap **GAP** | negative 8.1% CAR; Williams-Sonoma **WSM** | negative 7.7% CAR
  Gap's multibrand, mass-to-mid-range pricing structure leaves slim pricing power in a promotional apparel segment, while Williams-Sonoma's heavier reliance on higher-end goods still faces tariff-driven cost inflation from international suppliers.

**3. Industrial, Hardware, & Semiconductors**

- Sensata Technologies **ST** | negative 12.5% CAR; Littelfuse **LFUS** | negative 13.5% CAR
  Both supply sensors, fuses, and electrical components to global auto, industrial, and electronics markets. Tariffs on these component categories immediately raise cost concerns. Although these firms have had success diversifying manufacturing footprints, the market remains sensitive to any margin-compressing import duties.

- Microchip Technology **MCHP** | negative 12.0% CAR; Qorvo **QRVO** | negative 11.8% CAR; Zebra Technologies **ZBRA** | negative 11.5% CAR
  These mid- to large-cap chip- and devicemakers also depend on Asia-centric production.

- Western Digital **WDC** | negative 11.2% CAR; Dell Technologies **DELL** | negative 10.7% CAR
  Both straddle the hardware/storage spectrum. Tariffs on memory components or partially assembled computer devices can add unexpected costs. Investors also worry that new trade barriers might damp global tech demand.

- Hewlett Packard Enterprise **HPE** | negative 6.9% CAR; Marvell Technology **MRVL** | negative 5.6% CAR
  Despite large enterprise contracts (Hewlett Packard) or advanced chip technology (Marvell), the fundamental reality is that rising input tariffs or potential countersanctions limiting chip exports can weigh on near-term earnings forecasts.

**4. Medical Technology & Devices**

- Bausch & Lomb **BLCO** | negative 8.8% CAR; GE HealthCare Technologies **GEHC** | negative 7.2% CAR
  Both are classified as direct because they rely on specialized imported components (lenses, imaging

parts, and so on). Even though healthcare is often viewed as somewhat resilient to economic shifts, short-term stock moves can be dramatic if tariffs affect carefully tuned supply chains.

- DexCom **DXCM** | negative 5.7% CAR; Dentsply Sirona **XRAY** | negative 5.1% CAR
  Diabetes-care products (DexCom) and dental equipment (Dentsply) frequently depend on cross-border manufacturing or subcomponent supply. A newly introduced tariff can disrupt capacity planning and near-term margins before the firm can adjust or relocate facilities.

**5. Vehicles, Parts, & Other Cyclical Industrials**

- Polaris **PII** | negative 7.4% CAR; Brunswick **BC** | negative 6.8% CAR
  Both companies produce big-ticket recreational/leisure goods (boats, off-road vehicles), where tariff-induced cost increases can be harder to pass on. Investors often punish these companies swiftly if signs point to margin erosion or heavier discounting.

- Hayward Holdings **HAYW** | negative 6.8% CAR; Plug Power **PLUG** | negative 6.4% CAR
  Hayward (pool equipment) and Plug Power (fuel cells) highlight that even smaller, specialized manufacturers can feel the direct pinch of tariffs, especially if core inputs are primarily imported and the product is too niche to raise end-market prices significantly.

**6. Consumer Defensives**

- Dollar Tree **DLTR** | negative 6.3% CAR; Target **TGT** | negative 5.7% CAR
  While discount stores and big-box retailers generally fare better in recessions, both rely heavily on imported everyday goods. Tariff costs that can't be passed on easily may lead to margin pressure particularly for Dollar Tree, with its "single-price" or near-fixed-price model.

### What This Means for Investors

**1. Heightened volatility for tariff-sensitive names**

A negative CAR around a tariff announcement suggests that "Mr. Market" believes these firms face direct earnings headwinds or at least operational disruptions in a more protectionist trade environment.

**2. Keep fundamentals in focus**

Not all negative short-term reactions reflect lasting damage. Some companies can shift supply chains or pass through added costs. This basket may contain oversold opportunities if the market has overreacted.

**3. High Uncertainty Rating + lack of moat often means bigger tariff-driven moves**

From RH to VF to Qorvo, many of the largest negative CARs appeared where companies lack the pricing power and brand resilience to offset abrupt cost hikes and where our analysts believe the range of outcomes is rather wide.

**4. Even wide-moat names aren't immune**

Nike, for example, saw a significant drop, reminding us that brand power can mitigate some margin pressure but doesn’t fully insulate a firm from short-term market fears about supply-chain disruption.

### 5. The flip side

To the extent that tariff concerns abate, whether in the case of an individual country or a region, today's underperformers could quickly reverse course; the more quickly that normalization occurs, the less severe the damage.

### Conclusion

In turbulent markets dominated by trade news, our "Tariff Exposure Basket" seeks to highlight names most acutely vulnerable to higher barriers to international commerce. We aim to provide a more robust perspective on which companies truly face first-order tariff risks versus those suffering for other reasons, by combining a quantitative event study, measuring abnormal (excess) returns around the tariff announcement, with qualitative insights from our sector directors.

In short, while headlines about tariffs and trade tensions can trigger short-term market volatility, investors should focus on companies' enduring economic moats, which help sustain long-term excess earnings, making thorough fundamental analysis and diversification key to spotting genuine opportunities amid temporary mispricing.

This list will be updated weekly on our Direct platform. It is viewable in the Morningstar Research folders in both the new experience, via My Library, and in the Workspace module of the core application. We encourage investors to use it as a starting point for deeper due diligence, bearing in mind that today's tariff landscape can change rapidly and that short-term market reactions do not always translate into longer-term performance trends.

## Research Methodology for Valuing Companies

**Overview**

At the heart of our valuation system is a detailed projection of a company's future cash flows, resulting from our analysts' research. Analysts create custom industry and company assumptions to feed income statement, balance sheet, and capital investment assumptions into our globally standardized, proprietary discounted cash flow, or DCF, modeling templates. We use scenario analysis, in-depth competitive advantage analysis, and a variety of other analytical tools to augment this process. We think analyzing valuation through discounted cash flows presents a better lens for viewing cyclical companies, high-growth firms, businesses with finite lives (mines, for example), or companies expected to generate negative earnings over the next few years. That said, we don't dismiss multiples altogether but rather use them as supporting cross-checks for our DCF-based fair value estimates. We also acknowledge that DCF models offer their own challenges (including a potential proliferation of estimated inputs and the possibility that the method may miss short-term market-price movements), but we believe these negatives are mitigated by deep analysis and our long-term approach.

Morningstar's Equity Research Group ("we," "our") believes that a company's intrinsic worth results from the future cash flows it can generate. The Morningstar Rating for stocks identifies stocks trading at a discount or premium to their intrinsic worth—or fair value estimate in Morningstar terminology. Five-star stocks sell for the biggest risk-adjusted discount to their fair values, whereas 1-star stocks trade at premiums to their intrinsic worth.

Four key components drive the Morningstar rating:

- our assessment of the firm's economic moat.
- our estimate of the stock's fair value.
- our uncertainty around that fair value estimate.
- the current market price.

This process ultimately culminates in our single-point star rating.

**Economic Moat**

The Morningstar Economic Moat Rating is a structural feature that Morningstar believes positions a firm to earn durable excess profits over a long period of time, with excess profits defined as returns on invested capital above our estimate of a firm’s cost of capital. The economic moat rating is not an indicator of the investment performance of the investment highlighted in this report. Narrow-moat companies are those that Morningstar believes are more likely than not to achieve normalized excess returns for at least the next 10 years. Wide-moat companies are those that Morningstar believes will earn excess returns for 10 years, with excess returns more likely than not to remain for at least 20 years. Firms without a moat, including those that have a substantial threat of value destruction-related risks related to environmental, social, and governance; industry disruption; financial health; or other idiosyncratic issues, are more susceptible to competition. Morningstar has identified five sources of economic moats: intangible assets, switching costs, network effect, cost advantage, and efficient scale.

**Fair Value Estimate**

Each stock's fair value is estimated by using a proprietary discounted cash flow model, which assumes that the stock's value is equal to the total of the free cash flows of the company is expected to generate in the future, discounted back to the present at the rate commensurate with the riskiness of the cash flows. As with any DCF model, the ending value is highly sensitive to Morningstar's projections of future growth.

**Fair Value Uncertainty**

The Morningstar Uncertainty Rating represents the analysts’ ability to bound the estimated value of the shares in a company around the fair value estimate, based on the characteristics of the business underlying the stock, including operating and financial leverage, sales sensitivity to the overall economy, product concentration, pricing power, exposure to material ESG risks, and other company-specific factors. Based on these factors, analysts classify the stock into one of several uncertainty levels: Low, Medium, High, Very High, or Extreme. Our recommended margin of safety—the discount to fair value demanded before we’d recommend buying or selling the stock—widens as our uncertainty of the estimated value of the equity increases.

**Market Price**

The market prices used in this analysis and noted in the report come from exchanges on which the stock is listed, which we believe is a reliable source.

**Morningstar Rating for Stocks**

The Morningstar Rating for Stocks is a forward-looking, analyst-driven measure of a stock's current price relative to the analyst's estimate of what the shares are worth. Stock star ratings indicate whether a stock, in the equity analyst's educated opinion, is cheap, expensive, or fairly priced. To rate a stock, analysts estimate what they think it is worth (its "fair value"), using a detailed, long-term cash flow forecast for the company. A stock's star rating depends on whether its current market price is above or below the fair value estimate. Those stocks trading at large discounts to their fair values receive the highest ratings (4 or 5 stars). Stocks trading at large premiums to their fair values receive lower ratings (1 or 2 stars). A 3-star rating means the current stock price is close to the analyst's fair value estimate.

**Risk Warning**

Please note that investments in securities are subject to market and other risks, and there is no assurance or guarantee that the intended investment objectives will be achieved. Past performance of a security may or may not continue in the future and is no indication of future performance. A security investment's return and an investor's principal value will fluctuate so that, when redeemed, an investor's shares may be worth more or less than their original cost.

A security's current investment performance may be lower or higher than the investment performance noted within the report. Morningstar's Uncertainty Rating is a useful data point with respect to sensitivity analysis of the assumptions used in our determining a fair value price.

## General Disclosure

"Morningstar" is used throughout this section to refer to Morningstar, Inc., and/or its affiliates, as applicable. Unless otherwise provided in a separate agreement, recipients of this report may only use it in the country in which the Morningstar distributor is based. Unless stated otherwise, the original distributor of the report is Morningstar Research Services LLC, a USA-domiciled financial institution.

This report is for informational purposes only, should not be the sole piece of information used in making an investment decision, and has no regard to the specific investment objectives, financial situation, or particular needs of any specific recipient. This publication is intended to provide information to assist investors in making their own investment decisions, not to provide investment advice to any specific investor. Therefore, investments discussed and recommendations made herein may not be suitable for all investors; recipients must exercise their own independent judgment as to the suitability of such investments and recommendations in the light of their own investment objectives, experience, taxation status, and financial position.

The information, data, analyses, and opinions presented herein are not warranted to be accurate, correct, complete, or timely. Unless otherwise provided in a separate agreement, neither Morningstar, Inc., nor the Equity Research Group represents that the report contents meet all of the presentation and/or disclosure standards applicable in the jurisdiction the recipient is located.

Except as otherwise required by law or provided for in a separate agreement, the analyst, Morningstar, Inc., and the Equity Research Group and their officers, directors, and employees shall not be responsible or liable for any trading decisions, damages, or other losses resulting from, or related to, the information, data, analyses, or opinions within the report. The Equity Research Group encourages recipients of this report to read all relevant issue documents—a prospectus, for example) pertaining to the security concerned, including without limitation, information relevant to its investment objectives, risks, and costs before making an investment decision and when deemed necessary, to seek the advice of a legal, tax, and/or accounting professional.

The report and its contents are not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country, or other jurisdiction where such distribution, publication, availability, or use would be contrary to law or regulation or that would subject Morningstar, Inc., or its affiliates to any registration or licensing requirements in such jurisdiction.

Where this report is made available in a language other than English and in the case of inconsistencies between the English and translated versions of the report, the English version will control and supersede any ambiguities associated with any part or section of a report that has been issued in a foreign language. Neither the analyst, Morningstar, Inc., nor the Equity Research Group guarantees the accuracy of the translations.

This report may be distributed in certain localities, countries, and/or jurisdictions ("territories") by independent third parties or independent intermediaries and/or distributors ("distributors"). Such distributors are not acting as agents or representatives of the analyst, Morningstar, Inc., or the Equity Research Group. In territories where a distributor distributes our report, the distributor is solely responsible for complying with all applicable regulations, laws, rules, circulars, codes, and guidelines established by local and/or regional regulatory bodies, including laws in connection with the distribution of third-party research reports.

**Conflicts of Interest**

- No material interests are held by the analyst or their immediate family with respect to the securities subject of this investment research report.
- Morningstar, Inc., may hold a long position in the securities subject of this investment research report that exceeds 0.5% of the total issued share capital of the security. To determine if such is the case, please click https://www.morningstar.com/company/disclosures/holdings.
- Analysts' compensation is derived from Morningstar, Inc.'s overall earnings and consists of salary, bonus, and in some cases restricted stock.
- Morningstar's overall earnings are generated in part by the activities of the Investment Management and Research groups, and other affiliates, that provide services to product issuers.
- Neither Morningstar, Inc., nor the Equity Research Group receives commissions, compensation, or other material benefits in connection with providing research, nor do they charge companies to be rated.
- Morningstar employees may not pursue business or employment opportunities outside Morningstar within the investment industry (including, but not limited to, working as a financial planner, an investment professional or investment professional representative, a broker/dealer or broker/dealer agent, a financial writer, reporter, or analyst) without the approval of Morningstar's Legal and if applicable, Compliance teams.
- Neither Morningstar, Inc., nor the Equity Research Group is a market maker or a liquidity provider of the securities noted within this report.
- Neither Morningstar, Inc., nor the Equity Research Group has been a lead manager or co-lead manager over the previous 12 months of any publicly disclosed offer of financial instruments of the issuer.
- Morningstar, Inc.'s Investment Management group has arrangements with financial institutions to provide portfolio management/investment advice, some of which an analyst may issue investment research reports on. In addition, the Investment Management group creates and maintains model portfolios whose underlying holdings can include financial products, including securities that may be the subject of this report. However, analysts do not have authority over Morningstar's Investment Management group's business arrangements or allow employees from the Investment Management group to participate or influence the analysis or opinion prepared by them.
- Morningstar, Inc., is a publicly traded company (ticker: MORN) and thus a financial institution the security of which is the subject of this report may own more than 5% of Morningstar, Inc.'s total outstanding shares. Please access Morningstar, Inc.'s proxy statement, "Security Ownership of Certain Beneficial Owners and Management" section at https://shareholders.morningstar.com/investor-relations/financials/sec-filings/default.aspx.

Morningstar may provide the product issuer or its related entities with services or products for a fee and on an arm's-length basis, including software products and licenses, research and consulting services, data services, licenses to republish our ratings and research in their promotional material, event sponsorship, and website advertising.

Further information on Morningstar's conflict-of-interest policies is available at http://global.morningstar.com/equitydisclosures. Please note analysts are subject to the CFA Institute's Code of Ethics and Standards of Professional Conduct.
For a list of securities the Equity Research Group currently covers and provides written analysis on, or for historical analysis of covered securities, including fair value estimates, please contact your local Morningstar office. Morningstar Equity Research methodologies can be found at Investor Relations | Morningstar, Inc.

**For recipients in Australia:** This report has been issued and distributed in Australia by Morningstar Australasia Pty. Ltd. (ABN: 95 090 665 544; ASFL: 240892). Morningstar Australasia Pty. Ltd. is the provider of the general advice ("the service") and takes responsibility for the production of this report. The service is provided through the research of investment products. To the extent the report contains general advice, it has been prepared without reference to an investor's objectives, financial situation, or needs. Investors should consider the advice in light of these matters and, if applicable, the relevant Product Disclosure Statement before making any decision to invest. Refer to our Financial Services Guide, or FSG, for more information at http://www.morningstar.com.au/s/fsg.pdf.

**For Recipients in New Zealand:** This report has been issued and distributed by Morningstar Australasia Pty Ltd and/or Morningstar Research Ltd (together 'Morningstar'). This report has been prepared and is intended for distribution in New Zealand to wholesale clients only and has not been prepared for use by New Zealand retail clients (as those terms are defined in the Financial Markets Conduct Act 2013).

The information, views and any recommendations in this material are provided for general information purposes only, and solely relate to the companies and investment opportunities specified within. Our reports do not take into account any particular investor's financial situation, objectives or appetite for risk, meaning no representation may be implied as to the suitability of any financial product mentioned for any particular investor. We recommend seeking financial advice before making any investment decision.

**For recipients in Canada:** This research is not prepared subject to Canadian disclosure requirements.

**For recipients in Europe:** This report is distributed by Morningstar Holland B.V., a wholly-owned subsidiary of Morningstar, Inc. Morningstar Holland B.V. is not required to be regulatory by the European Securities and Markets Authority for the provision of investment research data. The analyst/s involved in the creation of the report do not take into account any particular investor's financial situation, objectives or appetite for risk, meaning no representation may be implied as to the suitability of any financial product mentioned for any particular investor. Registered address: Haaksbergweg 58, 9th Floor, 1101 BZ Amsterdam, North Holland, Netherlands.

**For recipients in Hong Kong:** The report is distributed by Morningstar Investment Management Asia Limited, which is regulated by the Hong Kong Securities and Futures Commission to provide investment research and investment advisory services to professional investors only. Neither Morningstar Investment Management Asia Limited nor its representatives are acting or will be deemed to be acting as an investment advisor to any recipients of this information unless expressly agreed to by Morningstar Investment Management Asia Limited.

**For recipients in India:** Morningstar Investment Research India Private Limited (registered with SEBI as a research analyst, registration number INH000008686) does not engage in research services on securities listed or proposed to be listed on stock exchanges in India.

**For recipients in Japan:** The report is distributed by Morningstar Japan, Inc. for informational purposes only. Neither Morningstar Japan, Inc. nor its representatives are acting or will be deemed to be acting as an investment advisor to any recipients of this information.

**For recipients in Korea:** This report is distributed by Morningstar Korea Ltd., which has filed to the Financial Services Committee, for informational purposes only. Neither Morningstar Korea Ltd. nor its representatives are acting or will be deemed to be acting as an investment advisor to any recipients of this information.

**For recipients in Singapore:** This report is distributed by Morningstar Investment Adviser Singapore Pte Limited, which is licensed and regulated by the Monetary Authority of Singapore to provide financial advisory services in Singapore. Recipients of this report should contact their financial advisor in Singapore in relation to this report. Morningstar, Inc. and its affiliates rely on certain exemptions (Financial Advisers Regulations, Section 27(1)(e), Section 32B and 32C) to provide its investment research to recipients in Singapore.

**For recipients in the United Kingdom:** This report is distributed by Morningstar UK Ltd, a wholly-owned subsidiary of Morningstar, Inc. Morningstar UK Ltd. is not required to be registered nor authorized by the Financial Conduct Authority for the distribution of investment research data. The analyst/s involved in the creation of the report do not take into account any particular investor's financial situation, objectives or appetite for risk, meaning no representation may be implied as to the suitability of any financial product mentioned for any particular investor. There are information barriers in place between Morningstar UK Ltd and Morningstar regulated entities based in the UK. Registered address: 1 Oliver's Yard 55-71 City Road London EC1Y 1HQ

**About Morningstar® Equity Research™**

Morningstar Equity Research provides independent, fundamental equity research differentiated by a consistent focus on durable competitive advantages, or economic moats.

**For More Information**

+1 312 696-6869
equitysupport@morningstar.com

22 West Washington Street
Chicago, IL 60602 USA