Goldman Sachs Research

Equity Research

3 June 2026 | 8:18PM HKT

China Consumer Staples Cost Index Tracker: May 2026: PET cost easing but still high; Aluminum sequentially trended down

Leaf Liu
+852-3966-4169 | leaf.liu@gs.com
Goldman Sachs (Asia) L.L.C.

Valerie Zhou
+852-2978-0820 | valerie.zhou@gs.com
Goldman Sachs (Asia) L.L.C.

Christina Liu
+852-2978-6983 | christina.liu@gs.com
Goldman Sachs (Asia) L.L.C.

PET prices remained high in May but moderated sequentially vs Apr peak. The PET spot price has now increased by c.40% YTD and was up by c.40% yoy as of May 31 at c.Rmb8,615/ton. From the perspective of other raw material costs, Dairy S/D balance continues to improve with stable raw milk prices although slightly trending down. **Barley** import price trended high in Apr sequentially (+0.5% mom while up by 2.7% yoy); meanwhile we expect barley price lock-in for 2026E at MSD~HSD% yoy suggesting cost benefits. **Molasses** price was flattish MoM, while the spot price is implying a -27% yoy decline. **Soy bean prices** increased by 2% MoM, with bean pulp seeing -0.6% decline MoM price trend, at 7%/2% yoy respectively. **Packaging materials** cost pressure in May trended higher due to PET, with PET/Pulp/Aluminum prices at +47%/+14%/+21% yoy (+0.7%/+2.6%/-1.5% mom). Palm oil price was down by -1.6% MoM, and up by 11% yoy. Proteins showed a divergent trend with **pork/duck/shrimp/chicken/Beef/Fish seeing price change of** +0.4%/-0.3%/+17.3%/+1.8%/-0.1%/-0.7% MoM (-28%/-4%/+9%/+2%/+5%/+1% yoy). Pepper price decreased by -6% MoM, and up by +10% yoy.

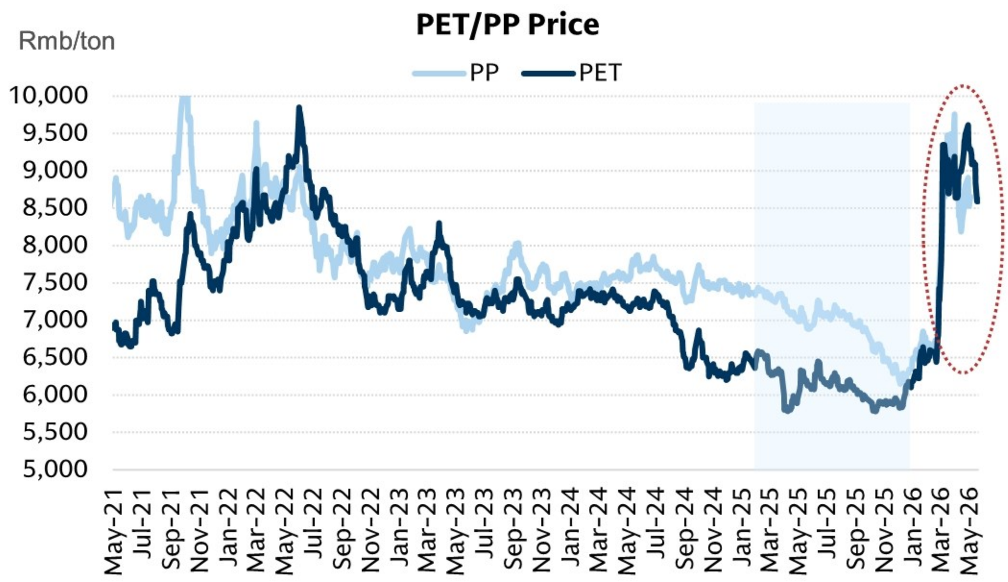
Downward trend watch list in May MoM: The frozen bakery cost index decreased by -1.0% MoM mainly due to lower palm oil/starch. The compound condiments index decreased by -0.5% MoM due to lower soybean oil/pepper price. The beer index decreased by -0.3% MoM due to lower Aluminum price.

Upward trend watch list for sector cost index in May MoM: The prepared meal cost index increased by 2.3% MoM due to cost headwinds on shrimp/chicken. The hot pot ingredients cost index increased by 1.7% MoM mainly on higher shrimp/chicken prices. Soy sauce cost index edged up by 1.0% MoM mainly on higher Soybean/sugar prices.

The authors would like to thank Lily Qi for her contribution to this report.

Key input cost exposure and 2026 cost lock-in policies by company

Exhibit 1: PET price has risen 41% YTD and is 40% yoy



Data as of May 31, 2026.

Source: Wind, Goldman Sachs Global Investment Research

Many Staples companies still have inventory/cost lock-in/hedging in place until 1Q/2Q/end-2026 (see summary below) as a near-term buffer. Investors' concerns are mainly around potential risks of breaches in contractual agreements from upstream supplies (according to media reports, several upstream PET/chemical companies have declared force majeure due to oil supply disruptions on 10 March), as well as the scale and duration of the Middle East conflict (i.e. potential risks of more significant cost hikes % in 2H26/2027 vs. locked-in cost level in 2026 if cost inflation sustains).

Exhibit 2: Cost summary table and locked in policies

	Sector	Company	as % of COGS (2026)	as % of sales (2026)	GPM Gse (2026)	Cost implied NPM change (ppt)	NPM Gse (2026)	implied downside %	YTD avg vs 2025 avg	May vs 2025 avg	Spot vs 2025 avg	2026 yoy (Gse)	price locked if any	ASP hike needed to offset cost pressure
PET	Beverage	Nongfu	29%	12%	59%	-3.6pp	29.8%	-12.2%	29%	48%	40%	HSD%-teens%	Usually locked in + inventory for 6 months	5.6%
		Eastroc	18%	10%	45%	-3.2pp	21.3%	-14.8%					Locked in until Nov-Dec 2026	4.7%
		Tingyi	12%	8%	34%	-2.4pp	5.1%	-46.8%					Locked in until mid-May 2026	3.8%
		UPC	8%	5%	33%	-1.6pp	6.6%	-24.6%					Locked in until end-Apr 2026	2.6%
	Dairy	Mengniu	6%	3%	40%	-1.0pp	5.9%	-16.7%				LSD%		1.6%
		Yili	4%	3%	34%	-0.9pp	9.7%	-9.3%				LSD%	Packaging material locked in for 3-6 months since the beginning of 2026	1.3%
	Condiments	Haitian	10%	6%	40%	-2.0pp	24.8%	-8.2%				/		2.9%
		Yihai	8%	5%	34%	-1.5pp	13.7%	-11.1%				/		2.5%
	Pet foods	China pet foods	5%	3%	28%	-1.1pp	5.8%	-19.9%				5%		1.6%
		Petpal	5%	3%	31%	-1.2pp	9.7%	-11.9%				/		1.6%
		Gambol	6%	3%	43%	-1.1pp	8.4%	-12.6%				/		1.6%
Palm oil	Beverage	Tingyi	3%	2%	34%	-0.1pp	5.1%	-1.2%	2%	4%	4%	SD%	Locked in until end-May 2026	0.1%
		UPC	4%	3%	33%	-0.1pp	6.6%	-1.3%					Locked in until 1Q26	0.1%
	Frozen food	Ligao	30%	21%	28%	-0.7pp	6.9%	-10.4%				/	Locked in to May-26	0.9%
Aluminum	Beer	CR Beer	21%	12%	43%	-1.5pp	15.8%	-9.4%	17%	17%	17%	MSD%	Locked in in with LSD%-MSD% increase	2.1%
		Chongqing	10%	6%	44%	-0.7pp	8.5%	-8.6%				3%	Locked in in for 15 months with LSD% increase	1.0%
		Bud APAC	16%	8%	50%	-0.9pp	11.3%	-8.2%				/	Locked in for flattish trend	1.4%
Paper pulp	Beverage	Nongfu	29%	12%	59%	-0.8pp	29.8%	-2.6%	2%	6%	9%	LSD%		0.7%
		Eastroc	8%	4%	45%	-0.30pp	21.3%	-1.4%				/		0.3%
		Tingyi	15%	10%	34%	-0.64pp	5.1%	-12.5%				LSD%~MSD%		0.6%
		UPC	15%	10%	33%	-0.65pp	6.6%	-9.9%				LSD%~MSD%		0.6%
	Beer	CR Beer	9%	5%	43%	-0.32pp	15.8%	-2.0%				MSD%		0.3%
		Chongqing	8%	4%	44%	-0.30pp	8.5%	-3.5%				-1%		0.3%
		Bud APAC	11%	5%	50%	-0.32pp	11.3%	-2.9%				/		0.3%
	Dairy	Mengniu	5%	3%	40%	-0.19pp	5.9%	-3.2%				LSD%		0.2%
		Yili	3%	2%	34%	-0.14pp	9.7%	-1.5%				LSD%		0.1%
Soybean oil	Condiments	Yihai	18%	12%	34%	-0.38pp	13.7%	-2.8%	4%	4%	5%	/	Oil related locked in for 1-3 months, pepper will be locked-in by c.6 months - 1 year; PET/Pulp locked-in until end-May 2026	0.5%
Soybean	Condiments	Haitian	14%	8%	39%	-0.61pp	24.8%	-2.4%	5%	9%	9%	/	c.6-month soy sauce fermentation cycle, which staggers the cost pass-through into production	0.7%

Source: Wind, Company data, Goldman Sachs Global Investment Research

Exhibit 3: Cost summary table for logistics

	Sector	Company	as % of COGS (2025)	as % of sales (2025)	GPM Gse (2026)	Cost implied NPM change (ppt)	NPM Gse (2026)	implied downside %	YTD avg vs 2025 avg	May vs 2025 avg	Spot vs 2025 avg	ASP hike needed to offset cost pressure
Logistics	Beverage	Nongfu	10.3%	4.2%	59%	-0.4pp	29.4%	-1.2%	6%	11%	11%	0.5%
		Eastroc	7.8%	4.3%	45%	-0.4pp	21.1%	-1.8%				0.5%
		Tingyi	8.2%	5.4%	35%	-0.4pp	5.6%	-7.9%				0.6%
		UPC	7.1%	4.8%	33%	-0.4pp	6.7%	-5.8%				0.5%
		CR Beve	8.0%	4.4%	45%	-0.4pp	9.2%	-4.1%				0.5%
	Value Retailer	Busy Ming	1.6%	1.4%	10%	-0.1pp	4.4%	-2.5%				0.2%
		Wanchen	1.1%	0.9%	13%	-0.1pp	3.6%	-2.1%				0.1%
	Dairy	Mengniu	8.5%	5.1%	40%	-0.4pp	5.9%	-7.0%				0.6%
		Yili	7.4%	4.8%	34%	-0.5pp	9.7%	-4.7%				0.5%
		Feihe	2.9%	1.0%	65%	-0.1pp	14.5%	-0.5%				0.1%
	Condiments	Haitian	7.0%	4.2%	40%	-0.4pp	24.8%	-1.6%				0.5%
		Yihai	6.6%	4.4%	34%	-0.3pp	13.7%	-2.5%				0.5%
		Jonjee	1.1%	0.7%	40%	-0.1pp	13.8%	-0.4%				0.1%
	Frozen food	Anjoy	3.3%	2.5%	23%	-0.2pp	10.2%	-1.9%				0.3%
		Ligao	7.2%	5.2%	28%	-0.4pp	6.9%	-5.9%				0.6%
	Beer	CR Beer	11.5%	6.5%	43%	-0.5pp	15.8%	-3.3%				0.7%
		Chongqing Brewery	7.5%	4.2%	44%	-0.4pp	8.5%	-4.2%				0.5%
		Bud APAC	15.3%	7.7%	50%	-0.6pp	11.3%	-5.1%				0.8%
	Spirits	Kweichow Moutai	4.7%	0.5%	90%	0.0pp	47.4%	-0.1%				0.1%
		Wuliangye	12.0%	2.3%	81%	-0.2pp	32.8%	-0.6%				0.3%
		Luzhou Laojiao	3.7%	0.5%	85%	0.0pp	40.3%	-0.1%				0.1%
		Fen Wine	4.6%	1.2%	73%	-0.1pp	29.1%	-0.3%				0.1%
		Anhui Gujing	2.7%	0.6%	78%	0.0pp	21.7%	-0.2%				0.1%
		Yanghe	0.4%	0.1%	70%	0.0pp	19.4%	0.0%				0.0%

Source: Wind, Company data, Goldman Sachs Global Investment Research

Price actions tracker

Exhibit 4: Pricing tracker 2023-2026

(+) Price hikes		(-) Price cuts or price hike failure	
Sector	**Details and effective dates**	**Sector**	**Details and effective dates**
China spirits	• Moutai: 2-8% RSP hike for Non-standard SKUs (May 2026) • Moutai: 9% ex-f/ 3% RSP price hike for Feitian (Mar 2026) • Moutai: 20% ex-f price hike for Feitian (Nov 2023) • Moutai: 13% ex-f price hike for Gold Prince (Dec 2023) • Moutai: 5% ex-f price hike for series spirits (Dec 2023) • Laojiao: 4-5% ex-f price hike for Tequ 60 (Nov 2023) • Yanghe: Rmb15/bottle ex-f price hike for Sujiu Toupai (Nov 2023) • Shede: 5% ex-f price hike for Pinwei Shede (Jan 2024) • Jiannanchun: 5% ex-f price hike for Shuijingjian (Jan 2024) • For 2024YTD, see below exhibit for details	**China Spirits**	• Moutai: Moutai 1935 ex-factory cut to Rmb798 (Sep 2024)
		Snacks	• Bestore: 22% price cut on average (Nov 2023) • Lower pricing range nuts gift packs have seen better sales during LNY 2024 • Chacha launched a new version of Blue Package sunflower seeds, increasing the quantity by 10% for each pack without hiking prices (Jun 2024)
Beer	• CRB: 6-8% ex-factory/invoice/RSP price hike for Heineken Classic canned beer in regional markets (May 2026) • Chongqing: 5-6% price hike for Tuborg (Feb 2023) • Chongqing: 3-4% price hike for Wusu outside Xinjiang (Dec 2022 - 1Q23) • Budweiser: Price hike for core/ value (Mar 2023) Budweiser: Price hike for selective SKUs of Bud and Hoeggarden brands (Dec 2023) • CR Beer: Price hike for selected SKUs (e.g, Snow Draft) in selected regions with solid market shares (1Q 2023) • Budweiser: Price hike for selective SKUs of Bud, Corona and Hoeggarden (by	**Soft drinks**	• Tingyi: failure to hike the suggested retail price for mid-large sized tea SKUs (Nov 2023)
Soft drinks	• Coca Cola: Price hike to Rmb3.5 from 3.0 for 500ml Coke/ Sprite/ Fanta, etc in Hubei, Jiangxi, Zhengzhou (Apr 2024) • Tingyi: Suggested retail price hike to Rmb5.0 from 4.0 with ex-factory price increased LSD% for 1L Tea (Apr 2024)	**Prepared food**	• Anjoy: price hikes in SKUs like BBQ sausages (Jan 2026) • Angel Yeast cut major product prices by <10% (late Mar 2024 to early Apr 2024).
Food	• Tingyi's HSD% price hike to its upgraded instant noodle products since July (The effect and outcome of this price hike is yet to be observed as UPC did not follow) • Tingyi: price hike to Rmb6.0 from Rmb5.5 for large-sized instant noodle products on Aug 1, with MSD% ex-f price hike on Oct 1 • Three Squirrels: hiked selected nuts gift bundle products pricing by 10% in Dec 24		
Condiments	• Yihai: ahead-of-expectation ex-factory price hike (Feb 2026) • Jonjee: hiking ex-f by 3% for major SKUs (Sep 2024)		

Source: Company data, Data compiled by Goldman Sachs Global Investment Research

Summary table

Exhibit 5: In May, Prepared meal saw the most cost inflation MoM, while Frozen Bakery saw the most cost benefits MoM

Inflation	Sector	MoM change %	Yoy %	Vs. 5 year peak	Peak time	Vs. 5 year trough	Trough time
1	Prepared meal	2.3%	0.7%	-14%	2021-5	23%	2018-3
2	Hot pot ingredients	1.7%	1.1%	-13%	2021-8	32%	2018-3
3	Soy sauce	1.0%	8.1%	-13%	2022-6	22%	2020-5
Deflation	**Sector**	**MoM change %**	**Yoy %**	**Vs. 5 year peak**	**Peak time**	**Vs. 5 year trough**	**Trough time**
1	Frozen bakery	-1.0%	-1.8%	-23%	2022-5	52%	2018-12
2	Compound condiments	-0.5%	5.9%	-14%	2022-3	10%	2020-5
3	Beer	-0.3%	3.4%	-6%	2022-3	10%	2020-4
Inflation	**Sector**	**QTD change %**	**Yoy %**	**Vs. 5 year peak**	**Peak time**	**Vs. 5 year trough**	**Trough time**
1	Beverage	2.6%	9.4%	-5%	2022-6	26%	2020-5
2	Soy sauce	2.3%	8.1%	-13%	2022-6	22%	2020-5
3	Pet food	2.1%	10.1%	-8%	2022-6	20%	2020-2
Deflation	**Sector**	**QTD change %**	**Yoy %**	**Vs. 5 year peak**	**Peak time**	**Vs. 5 year trough**	**Trough time**
1	Frozen bakery	-2.6%	-1.8%	-23%	2022-5	52%	2018-12
2	Frozen flour and rice	-2.0%	-8.0%	-35%	2020-8	3%	2018-5

Source: Wind, Bloomberg, Data compiled by Goldman Sachs Global Investment Research

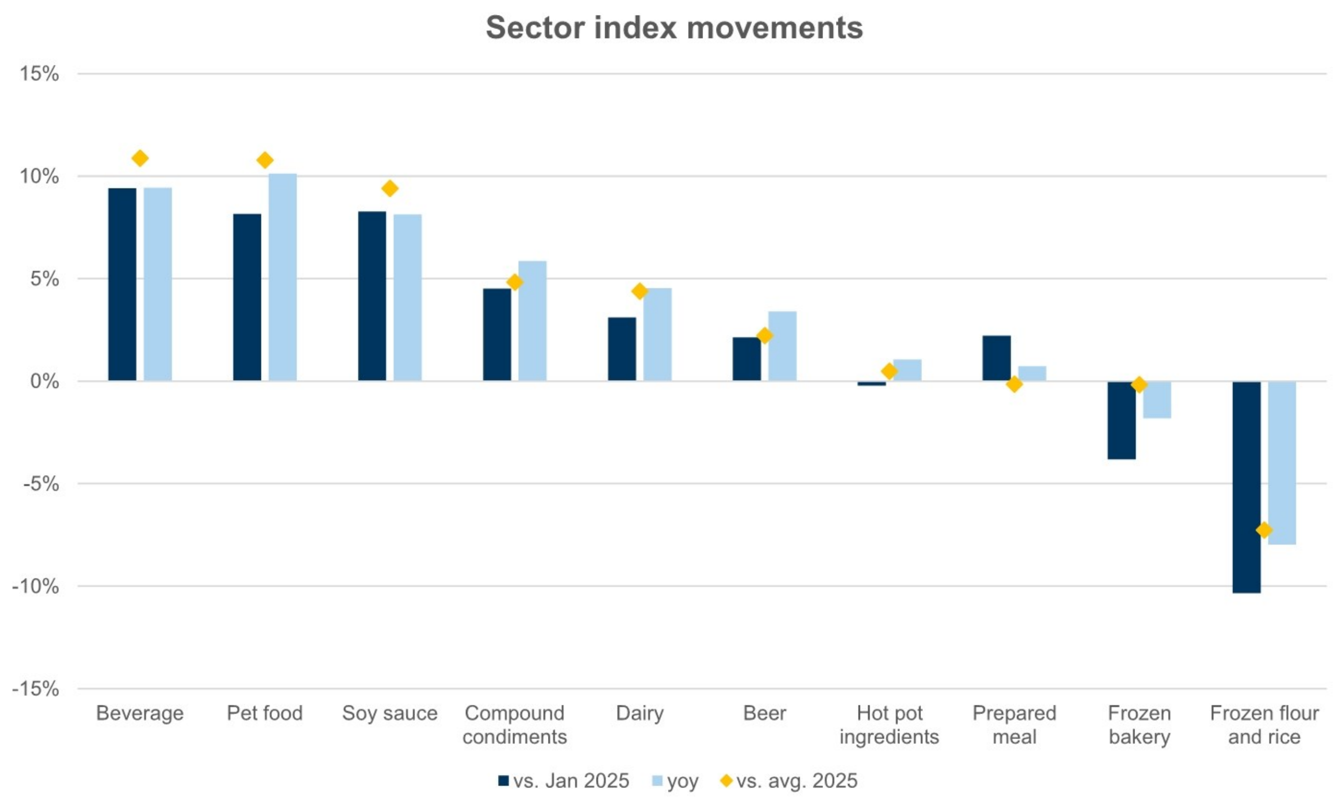
Exhibit 6: Monthly price YoY changes by raw material items

		Jan 2025 vs. Jan 2024	Feb 2025 vs. Feb 2024	Mar 2025 vs. Mar 2024	Apr 2025 vs. Apr 2024	May 2025 vs. May 2024	Jun 2025 vs. Jun 2024	Jul 2025 vs. Jul 2024	Aug 2025 vs. Aug 2024	Sep 2025 vs. Sep 2024	Oct 2025 vs. Oct 2024	Nov 2025 vs. Nov 2024	Dec 2025 vs. Dec 2024	Jan 2026 vs. Jan 2025	Feb 2026 vs. Feb 2025	Mar 2026 vs. Mar 2025	Apr 2026 vs. Apr 2025	May 2026 vs. May 2025
Agriculture	Barley	-10%	-10%	-11%	-7%	-4%	-1%	4%	4%	4%	3%	1%	-1%	-1%	3%	5%	3%	2%
	Rice	-2%	-2%	-2%	-1%	-1%	-1%	-1%	-1%	-1%	0%	0%	0%	-1%	-1%	-1%	2%	-1%
	Bean Pulp	-13%	11%	-3%	-11%	-20%	-13%	-7%	3%	-3%	-2%	2%	8%	4%	-13%	-4%	-2%	2%
	Soybean	-15%	-10%	-14%	-11%	-14%	-11%	-10%	2%	1%	4%	11%	6%	-2%	3%	11%	6%	7%
	Sichuan Pepper	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Pepper	4%	-22%	-2%	9%	-1%	-2%	-11%	-21%	-30%	-26%	2%	45%	38%	49%	9%	-2%	10%
	Cocoa	150%	75%	4%	-16%	20%	2%	1%	9%	-5%	-15%	-30%	-46%	-55%	-64%	-60%	-61%	-58%
	Sesame	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Vegetable	3%	-10%	-7%	-3%	-8%	-1%	-9%	-19%	-19%	-11%	13%	16%	6%	6%	2%	-6%	-3%
	Fruit	1%	2%	0%	3%	6%	5%	1%	-5%	-6%	-3%	0%	6%	9%	7%	5%	1%	-1%
	Corn	-14%	-10%	-8%	-6%	-2%	-2%	-2%	-1%	2%	1%	2%	10%	11%	8%	8%	7%	3%
Oil	Soybean Oil	0%	9%	4%	3%	1%	3%	6%	13%	6%	1%	0%	4%	5%	0%	5%	7%	7%
	Palm Oil	34%	34%	18%	12%	9%	11%	12%	19%	13%	0%	-14%	-15%	-10%	-10%	-1%	5%	11%
	Oil	-8%	-9%	-6%	-7%	-7%	-6%	-8%	-7%	-7%	2%	2%	-1%	0%	1%	2%	3%	4%
Meat	Fish	9%	10%	6%	2%	1%	-1%	0%	0%	-2%	-1%	-1%	1%	5%	2%	4%	3%	1%
	Chicken	-6%	-25%	-7%	-5%	-4%	0%	-12%	-6%	-3%	-7%	-7%	-2%	3%	24%	1%	0%	2%
	Pork	14%	1%	3%	1%	0%	-16%	-17%	-25%	-27%	-26%	-25%	-23%	-20%	-18%	-21%	-29%	-28%
	Beef	-18%	-18%	-15%	-7%	0%	4%	5%	7%	7%	8%	10%	9%	13%	15%	14%	8%	5%
	Shrimp	31%	-2%	15%	-3%	-7%	7%	7%	7%	-4%	-1%	-2%	-3%	-11%	-2%	-8%	-7%	9%
	Duck	-1%	-11%	-13%	-12%	-10%	-10%	-8%	-6%	-9%	-13%	-16%	-13%	-11%	4%	-3%	-4%	-4%
	Chicken US	5%	3%	4%	5%	4%	3%	4%	4%	5%	5%	2%	1%	-2%	0%	-1%	-2%	-2%
Sugar, starch, milk	Starch	-10%	-10%	-6%	-5%	-6%	-6%	-6%	-5%	-5%	-8%	-4%	1%	0%	-1%	2%	4%	0%
	Glutinous rice	3%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Corn starch	-12%	-10%	-7%	-5%	-6%	-6%	-6%	-5%	-5%	-7%	-4%	2%	2%	0%	2%	4%	0%
	Molasses	-21%	-24%	-29%	-17%	-13%	-15%	-8%	-7%	-14%	-16%	-24%	-35%	-38%	-35%	-25%	-23%	-27%
	Butter	21%	12%	18%	16%	17%	17%	14%	9%	5%	4%	-12%	-24%	-24%	-17%	-11%	-22%	-29%
	Flour	-2%	-3%	-2%	-2%	-2%	-2%	-1%	-1%	-1%	-2%	-1%	-1%	-1%	0%	-1%	-1%	0%
	MSG	1%	1%	1%	1%	-2%	-6%	-8%	-5%	-6%	-11%	-16%	-12%	-11%	-9%	-4%	1%	4%
	Sugar	-8%	-7%	-6%	-5%	-6%	-7%	-6%	-3%	-4%	-8%	-8%	-12%	-11%	-12%	-10%	-11%	-7%
	Milk powder	17%	21%	26%	26%	29%	20%	22%	19%	11%	3%	-8%	-17%	-12%	-12%	-7%	-11%	-14%
	Raw milk	-15%	-14%	-13%	-11%	-9%	-8%	-6%	-6%	-3%	-3%	-3%	-3%	-3%	-2%	-2%	-2%	-1%
Packaging	Pulp	2%	-2%	-7%	-7%	-6%	-3%	-3%	-1%	6%	12%	15%	7%	-4%	-2%	9%	12%	14%
	Glass	-5%	-3%	-3%	-3%	-3%	-2%	-1%	-2%	2%	2%	3%	3%	1%	0%	1%	0%	1%
	PET	-11%	-11%	-13%	-19%	-15%	-14%	-15%	-12%	-7%	-11%	-7%	-5%	-2%	0%	34%	52%	47%
	Aluminum	5%	9%	8%	-1%	-3%	0%	5%	7%	5%	1%	3%	9%	20%	14%	18%	24%	21%
Others	Alcoholic PPI	-1%	-1%	-1%	-1%	-1%	-1%	0%	-1%	0%	-1%	-1%	-1%	-2%	-2%	-2%	-3%	-3%
	Condiments PPI	-1%	0%	2%	3%	3%	2%	1%	1%	1%	2%	1%	1%	1%	0%	-1%	0%	0%
	PPI	-2%	-2%	-2%	-3%	-3%	-3%	-3%	-3%	-2%	-2%	-2%	-2%	-1%	-1%	1%	3%	3%
	Sunflower seeds	12%	10%	11%	11%	11%	17%	19%	20%	26%	0%	-9%	-3%	-4%	-4%	-4%	1%	-6%
	Rawhide	-9%	-9%	-16%	-16%	-19%	-23%	-23%	-17%	-11%	-1%	2%	-1%	-4%	-6%	-5%	-6%	0%

Barley, Rawhide and PPI related prices are as of Apr 2025.

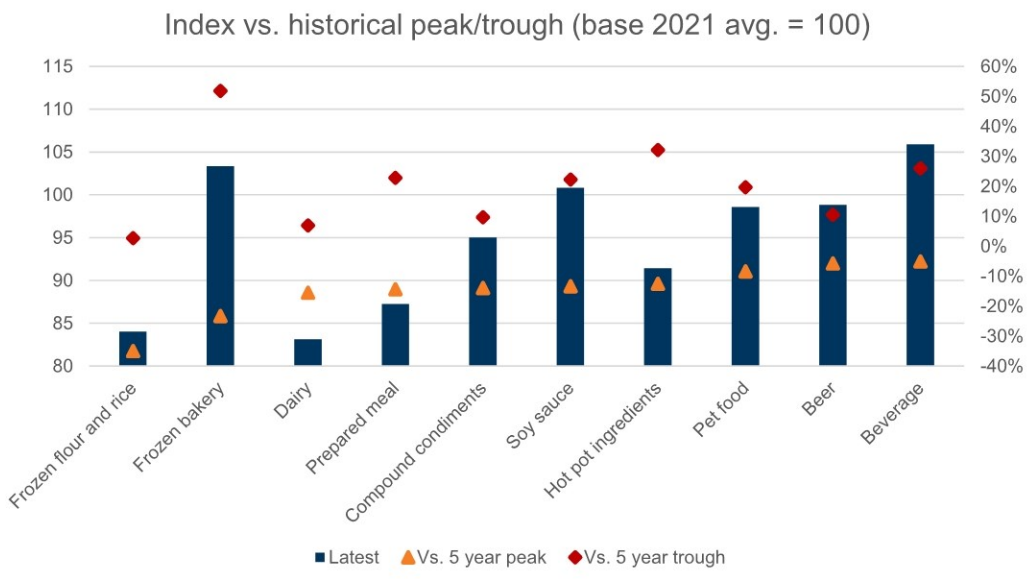
Source: Wind, Bloomberg, CEIC, Data compiled by Goldman Sachs Global Investment Research

Exhibit 7: Sector cost index vs. 2024, 2025, avg. 2025
May 2026



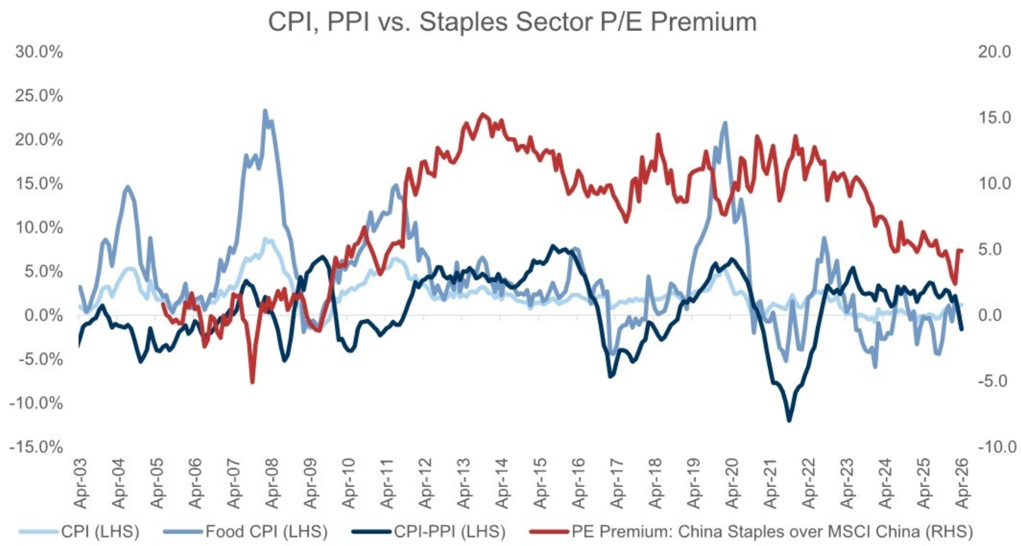
Source: Wind, Bloomberg, Data compiled by Goldman Sachs Global Investment Research

Exhibit 8: Frozen flour and rice/Frozen Bakery cost indexes have seen the largest pullback from previous peaks
May 2026



Source: Company data, Data compiled by Goldman Sachs Global Investment Research

Exhibit 9: CPI-PPI decreased in Apr vs Mar due to positive PPI yoy in Apr; staples P/E premium over MSCI China increased



CPI/PPI as of Apr 2026.

Source: Bloomberg, NBS, Data compiled by Goldman Sachs Global Investment Research

Theoretical Cost Impact Analysis for 2026

Ranking of pure cost benefits on average: Compound Condiments > Frozen Food > Beer > Pet Food > Soy Sauce > F&B and Snacks

Ranking of GSe GPM expansion on average: Frozen Food > Soy Sauce > F&B and Snacks > Beer > Compound Condiments > Pet Food

Exhibit 10: Raw materials contribution to unit COGS - soy sauce

Condiments - soy sauce	Haitian	Jonjee	Spot price vs. 2025 avg.
Direct raw materials % of COGS	**76%**	**81%**	
Soybean (% of COGS)	*14%*	*24%*	*9%*
White Granulated Sugar	*12%*	*12%*	*-5%*
Glass	*12%*	*13%*	*0%*
PET	*10%*	*11%*	*48%*
MSG	*5%*		*7%*
Others (condiments PPI)	*23%*	*20%*	*0%*
2026E raw materials contribution to unit COGS	**5.9%**	**6.9%**	
Changes on GPM	**-3.5%**	**-4.1%**	
GS estimate GPM change 2026	**0.0%**	**0.8%**	

Source: Company data, Goldman Sachs Global Investment Research, NBS, Bloomberg, Wind

Exhibit 11: Raw materials contribution to unit COGS - beer

Beer	CR Beer	Bud Apac	Tsingtao Brewery	Chongqing Brewery	Spot price vs. 2025 avg.
Direct raw materials % of COGS	**61%**	**66%**	**64%**	**64%**	
Aluminum (% of COGS)	*21%*	*16%*	*16%*	*10%*	*17.3%*
Pulp	*9%*	*11%*	*11%*	*8%*	*6.0%*
Glass	*7%*	*11%*	*11%*	*28%*	*-0.2%*
Others (Alcoholic PPI)	*4%*	*6%*	*3%*	*2%*	*-2.8%*
Barley	*14%*	*16%*	*15%*	*11%*	*1.4%*
Rice	*7%*	*6%*	*8%*	*4%*	*-1.2%*
2026E raw materials contribution to unit COGS	**4.1%**	**3.4%**	**3.4%**	**2.3%**	
Changes on GPM	**-2.4%**	**-1.7%**	**-2.3%**	**-1.1%**	
GS estimate GPM change 2026	**-0.1%**	**0.0%**	**0.4%**	**0.0%**	

Note: * Barley lock-in cost is likely down MSD~HSD% yoy for CRB/Chongqing/Tsingtao, while Bud APAC takes a 12M rolling forward cost hedging strategy.

Source: Company data, Goldman Sachs Global Investment Research, NBS, Bloomberg

Exhibit 12: Raw materials contribution to unit COGS - F&B, snacks

COGS structure (%)	Yili	Mengniu	Feihe	Tingyi	UPC	Nongfu	CR Beverage	Eastroc	Chacha (sunflower seeds)	Want Want	Spot price vs. 2025 avg.
Flour (% of COGS)				*8%*	*4%*						*-0.4%*
Sugar	*3%*	*3%*	*3%*	*5%*	*11%*	*5%*	*1%*	*29%*		*5%*	*-5.0%*
Palm Oil				*6%*	*4%*						*4.4%*
Milk powder	*10%*	*10%*	*6%*		*4%*	*4%*	*1%*			*21%*	*-3.7%*
Raw milk	*45%*	*50%*	*28%*			*2%*					*-1.1%*
Cocoa						*1%*					*-49.7%*
PET	*4%*	*6%*	*9%*	*12%*	*8%*	*29%*	*26%*	*18%*		*9%*	*47.8%*
Paper Pulp	*3%*	*5%*		*15%*	*15%*	*29%*	*35%*	*8%*	*10%*	*9%*	*6.0%*
Glass	*1%*						*1%*			*3%*	*-0.2%*
Aluminum	*1%*		*9%*					*3%*		*9%*	*17.3%*
Others (PPI)	*33%*	*27%*	*46%*	*54%*	*54%*	*30%*	*36%*	*42%*	*40%*	*40%*	*3.3%*
Sunflower seeds									*50%*		*-5.4%*
2026E raw materials contribution to unit COGS	**2.3%**	**2.7%**	**6.4%**	**8.4%**	**5.8%**	**15.6%**	**15.7%**	**9.5%**	**-0.8%**	**6.7%**	
YoY changes in GPM	**-1.5%**	**-1.6%**	**-2.2%**	**-5.5%**	**-3.9%**	**-6.2%**	**-8.6%**	**-5.2%**	**0.6%**	**-3.6%**	
GS estimate GPM change 2026	**0.2%**	**-0.2%**	**0.1%**	**-0.9%**	**-0.7%**	**-1.1%**	**-0.4%**	**0.6%**	**4.2%**	**0.3%**	

Chacha accounts for sunflower seeds only; UPC procurement price was carried from last year.

Source: Company data, Goldman Sachs Global Investment Research, NBS, Bloomberg, Wind

Exhibit 13: Raw materials contribution to unit COGS - compound condiments

Condiments - compound condiments	Yihai	Teway	Spot price vs. 2025 avg.
Direct raw materials % of COGS	**89%**	**81%**	
Soybean Oil (% of COGS)	*18%*	*16%*	*4%*
Sichuan Pepper	*17%*	*8%*	*0%*
Pepper	*12%*	*3%*	*-2%*
PET	*8%*	*8%*	*48%*
Others (condiments PPI)	*35%*	*45%*	*0%*
2026E raw materials contribution to unit COGS	**4.3%**	**4.7%**	
Changes on GPM	**-2.9%**	**-2.8%**	
GS estimate GPM change 2026	**0.0%**	**0.0%**	

Source: Company data, Goldman Sachs Global Investment Research, NBS, Bloomberg, Wind

Exhibit 14: Raw materials contribution to unit COGS - pet food

Pet	China Pet Foods	Petpal	Gambol	Spot price vs. 2025 avg.
Materials as a % of COGS	**72%**	**72%**	**82%**	
Rawhide as % of COGS	*4%*	*22%*	*3%*	*-2%*
Chicken (Global)	*8%*	*14%*	*0%*	*-2%*
Chicken	*12%*	*14%*	*14%*	*7%*
Duck	*9%*	*na*	*4%*	*-5%*
Starch	*na*	*3%*	*0%*	*4%*
Corn	*2%*	*na*	*2%*	*6%*
Oil	*2%*	*1%*	*0%*	*2%*
PET	*5%*	*5%*	*6%*	*48%*
Others	*21%*	*7%*	*52%*	*3%*
2026E raw materials contribution to unit COGS	**3.1%**	**3.0%**	**5.5%**	
YoY changes in GPM	**-2.3%**	**-2.1%**	**-3.7%**	
GS estimate GPM change 2026	**-0.5%**	**-1.0%**	**-2.4%**	

GPM is using overseas segment GPM.

Source: Company data, Goldman Sachs Global Investment Research, NBS, Bloomberg, Wind

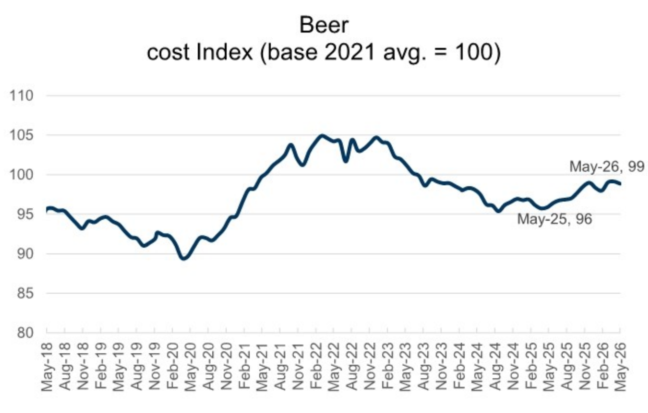
Exhibit 15: Raw materials contribution to unit COGS – frozen food

Frozen food	Anjoy	Sanquan	Qianweiyangchu	Ligao	Angel	Spot price vs. 2025 avg.
Direct raw materials % of COGS	**58%**	**42%**	**47%**	**73%**	**66%**	
Fish	*18%*					*2.1%*
Chicken	*9%*					*6.6%*
Pork	*1%*	*15%*				*-26.1%*
Beef	*2%*					*5.5%*
Shrimp	*8%*					*-3.1%*
Starch	*7%*					*3.7%*
Flour		*11%*	*11%*	*5%*		*-0.4%*
Glutinous rice		*13%*	*13%*			*0.0%*
Corn starch				*2%*		*4.1%*
Sugar			*5%*	*2%*		*-5.0%*
Oil						*1.8%*
Palm oil	*2%*			*30%*		*4.4%*
Soybean oil	*2%*		*5%*			*4.5%*
Butter			*6%*	*8%*		*-20.7%*
SPI	*4%*					*2.7%*
Sesame		*3%*	*3%*			*0.0%*
Fruit				*5%*		*5.5%*
PPI	*5%*		*5%*	*5%*	*42%*	*3.3%*
Molasses					*24%*	*-22.0%*
Milk powder				*11%*		*-3.7%*
Raw milk				*5%*		*-1.1%*
2026E raw materials contribution to unit COGS	**1.3%**	**-3.9%**	**-1.2%**	**-0.4%**	**-3.9%**	
YoY changes in GPM	**-1.0%**	**2.9%**	**0.9%**	**0.2%**	**2.9%**	
GS estimate GPM change 2026	**1.4%**	**0.9%**	**1.6%**	**-1.2%**	**2.0%**	

Source: Company data, Goldman Sachs Global Investment Research, NBS, Bloomberg, Wind

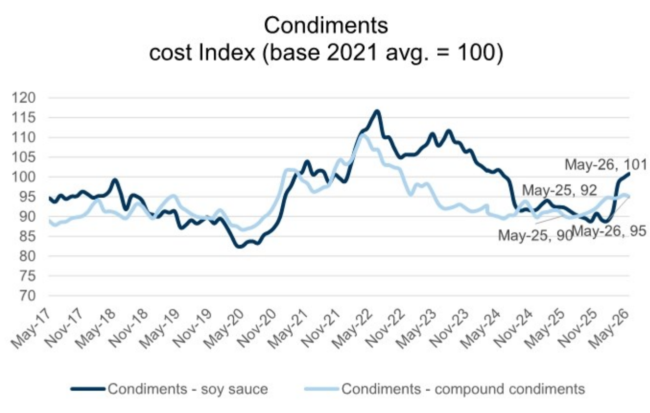
Sector cost index

Exhibit 16: Cost index – beer



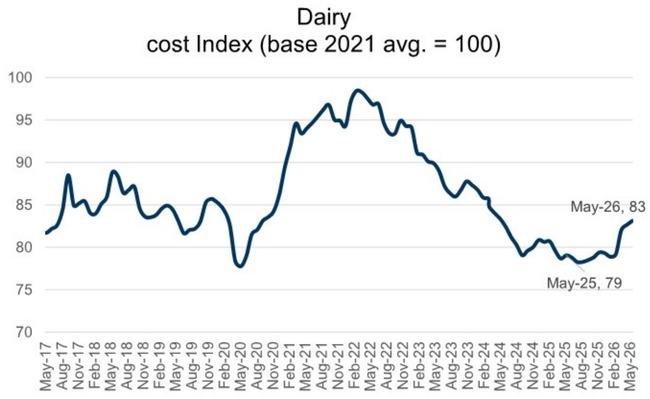
Source: Wind, Bloomberg, Goldman Sachs Global Investment Research

Exhibit 17: Cost index – condiments



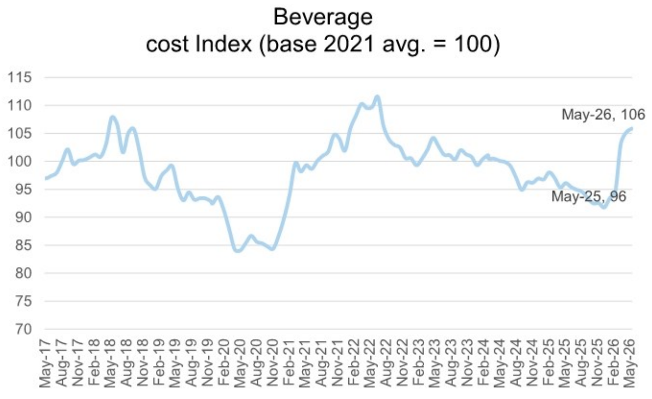
Source: Wind, Bloomberg, Goldman Sachs Global Investment Research

Exhibit 18: Cost index - dairy



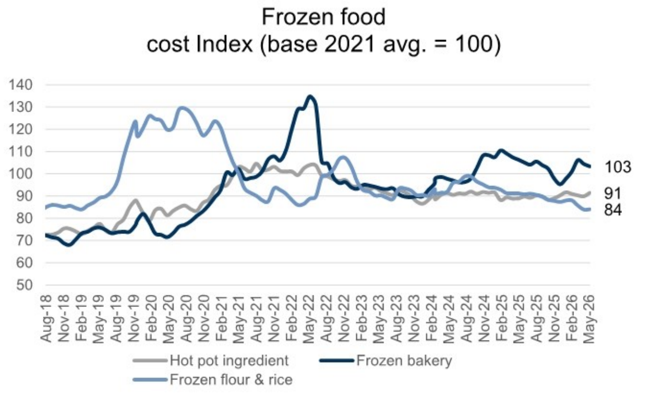
Source: Wind, Bloomberg, Goldman Sachs Global Investment Research

Exhibit 19: Cost index - beverage



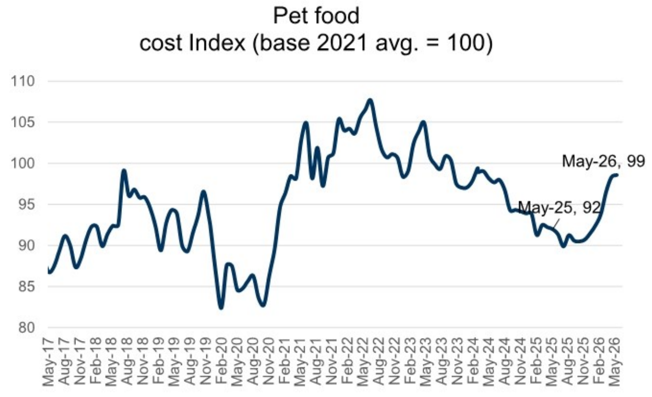
Source: Wind, Bloomberg, Goldman Sachs Global Investment Research

Exhibit 20: Cost index – frozen food



Source: Wind, Bloomberg, Goldman Sachs Global Investment Research

Exhibit 21: Cost index – pet food

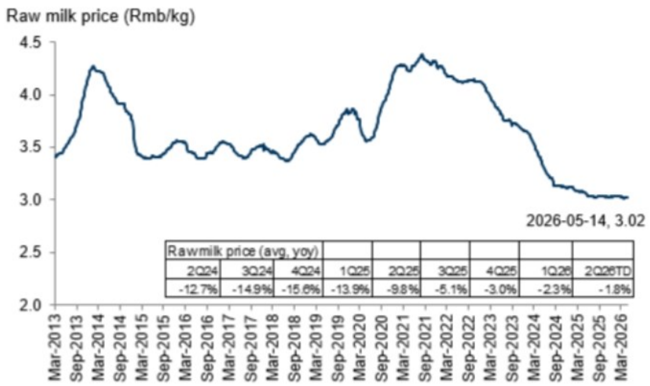


Source: Wind, Bloomberg, Goldman Sachs Global Investment Research

Raw Milk S/D Update

We see early sign of raw milk demand recovery in domestic China and we expect supply/demand to re-balance in 2H26 driven by continued herd downsizing and demand recovery with 1) lower domestic supply with continued herd size cut; 2) continued decrease in net import esp. driven by lower dry powder imports in 2026E; 3) a modest recovery in total demand in 2026E.

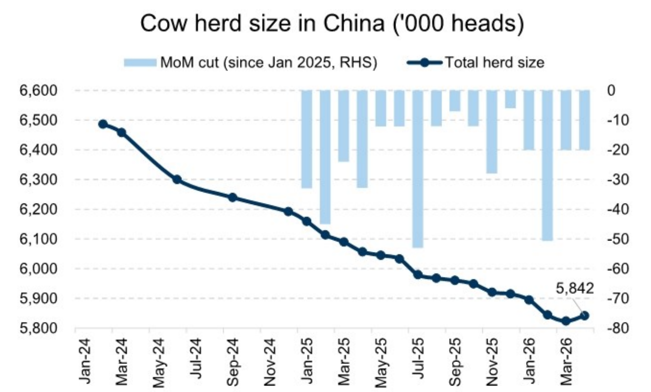
Exhibit 22: Raw milk price has stabilized at around Rmb3.0/kg since mid-June; 2Q26QTD avg. raw milk price yoy decline at LSD%



Latest price on May 14, 2026.

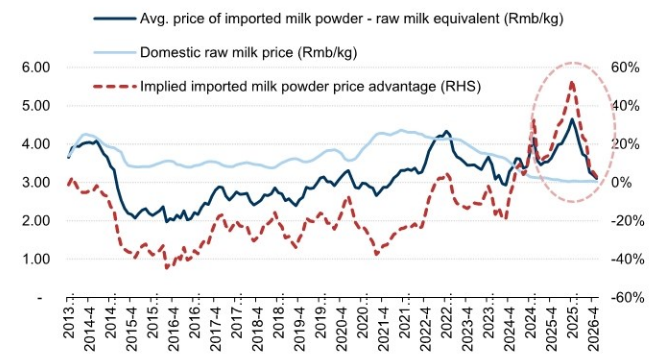
Source: Ministry of Agriculture and Rural Affairs

Exhibit 23: Cow herd size declined by 3.6% yoy in Apr 2026



Source: Ministry of Agriculture and Rural Affairs

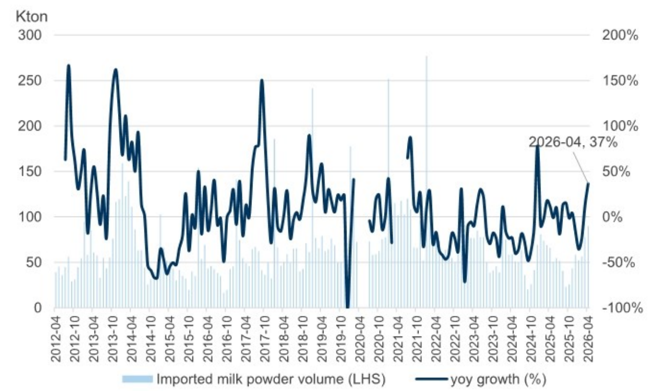
Exhibit 24: Domestic raw milk prices advantage narrowed down due to continued weaker import price



Using 7.7x conversion rate to convert imported milk powder price to implied raw milk price; CNY/USD FX rates on monthly average.

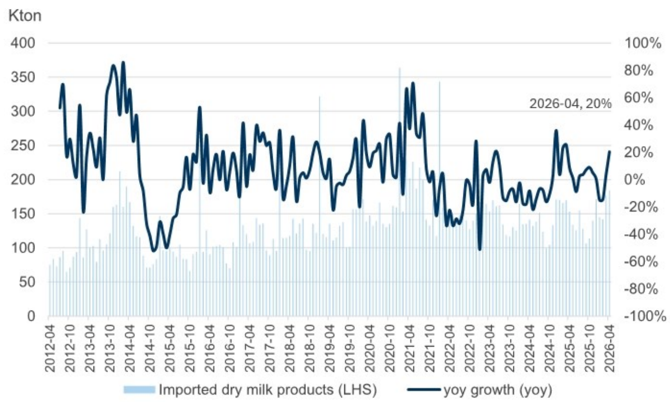
Source: Wind, Goldman Sachs Global Investment Research

Exhibit 25: Imported milk powder volume was 90 kton in Apr 2026, +37% yoy



Source: Wind, Goldman Sachs Global Investment Research

Exhibit 26: Imported dry milk products volume was at 184 kton in Apr 2026, +20% yoy



Source: Wind, Goldman Sachs Global Investment Research

Raw material cost trends and Weather trends Summary

Exhibit 27: Barley, Rawhide, and PPI related prices are as of May 2025

		2019 yoy	2020 yoy	2021 yoy	2022 yoy	2023 yoy	2024 yoy	2025 yoy	May 2026 vs. 2022 avg	May 2026 vs. 2023 avg	May 2026 vs. 2024 avg	May 2026 vs. 2025 avg	2026 May 2026 yoy	Jan-May 2026 vs. Jan-May 2025	QTD	MOM
Agriculture	Barley	5%	-11%	20%	28%	-5%	-23%	-3%	-28%	-24%	-1%	1%	2%	2%	0.5%	0.0%
	Rice	1%	0%	1%	1%	0%	-1%	-1%	-4%	-3%	-2%	-1%	-1%	0%	0.2%	-3.1%
	Bean Pulp	**-11%**	**4%**	**23%**	**22%**	**-5%**	**-23%**	**-4%**	**-34%**	**-31%**	**-10%**	**-6%**	**2%**	**-3%**	**-6.4%**	**-0.6%**
	Soybean	**0%**	**7%**	**35%**	**17%**	**-4%**	**-21%**	**-6%**	**-22%**	**-19%**	**2%**	**9%**	**7%**	**5%**	**0.7%**	**1.9%**
	Sichuan Pepper	14%	-3%	-4%	-4%	-3%	-5%	0%	-7%	-5%	0%	0%	0%	0%	0.0%	0.0%
	Pepper	-3%	7%	15%	6%	-12%	9%	-6%	-12%	0%	-9%	-2%	10%	21%	-10.1%	-6.3%
	Cocoa	3%	4%	1%	-1%	33%	138%	4%	66%	24%	-48%	-50%	-58%	-59%	27.1%	22.1%
	Sesame	0%	11%	0%	6%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.0%	0.0%
	Vegetable	**8%**	**10%**	**7%**	**-1%**	**3%**	**3%**	**-5%**	**-15%**	**-18%**	**-20%**	**-16%**	**-3%**	**1%**	**-15.3%**	**-5.8%**
	Fruit	17%	-11%	9%	13%	7%	-2%	1%	12%	5%	6%	6%	-1%	4%	-1.5%	1.3%
	Corn	3%	15%	28%	0%	-1%	-16%	-3%	-14%	-14%	3%	6%	3%	7%	-0.1%	0.0%
Oil	Soybean Oil	3%	14%	44%	12%	-20%	-7%	4%	-19%	1%	9%	4%	7%	5%	-1.3%	-0.7%
	Palm Oil	-2%	24%	49%	24%	-30%	10%	10%	-13%	26%	14%	4%	11%	-1%	-0.3%	-1.6%
	Oil	-5%	9%	37%	23%	-8%	-8%	-5%	-18%	-11%	-3%	2%	4%	2%	0.0%	0.0%
Meat	Fish	11%	9%	29%	-8%	-7%	7%	2%	4%	12%	4%	2%	1%	3%	-1.7%	-0.7%
	Chicken	15%	-25%	12%	8%	-1%	-13%	-7%	-15%	-14%	-1%	7%	2%	5%	4.4%	1.8%
	Pork	52%	59%	-36%	-11%	-18%	11%	-13%	-42%	-29%	-36%	-26%	-28%	-23%	-8.8%	0.4%
	Beef	11%	15%	6%	0%	-5%	-14%	-1%	-14%	-10%	4%	5%	5%	11%	0.2%	-0.1%
	Shrimp	13%	51%	12%	-11%	-12%	14%	3%	0%	14%	0%	-3%	9%	-4%	10.9%	17.3%
	Duck	4%	15%	7%	-9%	2%	-3%	-10%	-15%	-17%	-15%	-5%	-4%	-4%	-0.6%	-0.3%
	Chicken US	1%	2%	-1%	16%	7%	5%	4%	14%	6%	2%	-2%	-2%	-1%	-0.7%	-0.3%
Sugar, starch, milk	**Starch**	**2%**	**11%**	**22%**	**2%**	**-6%**	**-7%**	**-6%**	**-15%**	**-9%**	**-2%**	**4%**	**0%**	**1%**	**-1.6%**	**-3.1%**
	Glutinous rice	2%	15%	-11%	-5%	5%	1%	0%	6%	1%	0%	0%	0%	0%	0.0%	0.0%
	Corn starch	2%	11%	23%	0%	-5%	-7%	-6%	-14%	-10%	-2%	4%	0%	2%	-1.6%	-3.1%
	Molasses	0%	29%	38%	9%	2%	-15%	-19%	-45%	-46%	-37%	-22%	-27%	-30%	10.0%	0.0%
	Butter	-7%	-14%	33%	12%	-16%	36%	8%	-2%	16%	-15%	-21%	-29%	-21%	-17.6%	-5.8%
	Flour	2%	1%	2%	2%	1%	0%	-2%	-2%	-2%	-2%	0%	0%	-1%	0.2%	0.2%
	MSG	0%	1%	2%	0%	1%	1%	-5%	3%	3%	2%	7%	4%	-4%	5.8%	0.1%
	Sugar	0%	0%	7%	2%	14%	-7%	-7%	-6%	-17%	-11%	-5%	-7%	-10%	0.3%	1.3%
	Milk powder	4%	-5%	29%	1%	-21%	11%	13%	-3%	22%	9%	-4%	-14%	-11%	-0.8%	2.2%
	Raw milk	6%	4%	13%	-3%	-8%	-13%	-8%	-27%	-21%	-9%	-1%	-1%	-2%	-0.1%	0.2%
Packaging	Pulp	-16%	-1%	21%	-5%	-16%	-5%	1%	-15%	2%	7%	6%	14%	5%	2.7%	2.6%
	Glass	-1%	-1%	2%	-1%	-2%	-2%	-1%	-5%	-3%	-1%	0%	1%	0%	-0.6%	0.0%
	PET	-20%	-26%	26%	16%	-11%	-5%	-12%	10%	23%	30%	48%	47.4%	25%	7.4%	0.7%
	Aluminum	-2%	2%	33%	6%	-6%	6%	4%	22%	30%	22%	17%	21%	19%	-0.4%	-1.5%
Others	Alcoholic PPI	1%	1%	2%	1%	1%	0%	-1%	-3%	-4%	-3%	-3%	-3%	-2%	-0.8%	-0.2%
	Condiments PPI	1%	-2%	6%	2%	-7%	-3%	1%	-8%	-1%	2%	0%	0%	0%	1.1%	0.0%
	PPI	0%	-2%	8%	4%	-3%	-2%	-3%	-4%	-2%	1%	3%	3%	1%	1.7%	0.0%
	Sunflower seeds	23%	-12%	-11%	n.a.	n.a.	-12%	10%	n.a.	-11%	1%	-8%	-4%	-3%	0.5%	-3.9%
	Rawhide	-14%	7%	63%	-16%	-10%	5%	-12%	-19%	-10%	-14%	-2%	0%	-4%	-1.7%	0.0%

Barley, Rawhide, and PPI related ietms are as of Apr 2025.

Source: Wind, Bloomberg, CEIC, Data compiled by Goldman Sachs Global Investment Research

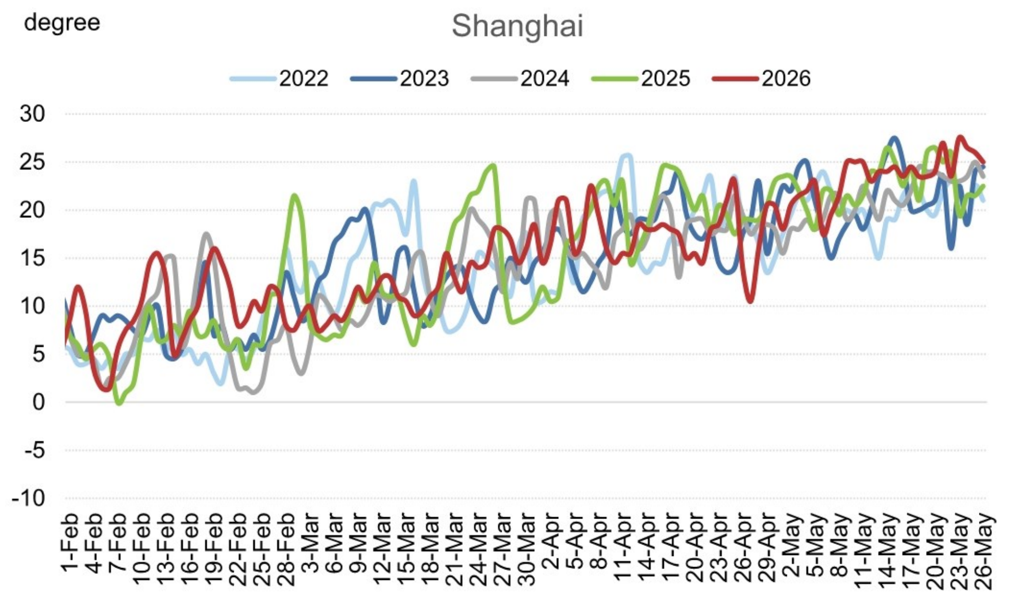
Exhibit 28: Raw material prices

			SPOT	2019 avg	2020 avg	2021 avg	2022 avg	2023 avg	2024 avg	2025 avg	2026 avg
Agriculture	Barley	USD/ton	261.2	265.2	236.2	282.7	361.0	343.2	264.2	257.5	258.6
	Rice	Rmb/kg	6.5	6.6	6.6	6.7	6.7	6.7	6.6	6.5	6.5
	Bean Pulp	Rmb/ton	2,828	2,761	2,861	3,509	4,280	4,077	3,136	3,000	2,963
	Soybean	lb cent/bus	8,130	6,146	6,552	8,871	10,417	10,005	7,938	7,473	7,856
	SPI	Rmb/ton	4,058	3,462	4,048	5,118	5,597	5,020	4,379	3,950	4,041
	Sichuan Pepper	Rmb/500g	41.3	50.2	48.5	46.3	44.5	43.3	41.3	41.3	41.3
	Pepper	Rmb/kg	6.0	5.3	5.6	6.5	6.9	6.0	6.6	6.1	7.5
	Cocoa	USD/ton	4,098	2,387	2,479	2,495	2,475	3,304	7,869	8,148	3,855
	Sesame	Rmb/ton	14,000	11,973	13,340	13,281	14,013	14,000	14,000	14,000	14,000
	Vegetable	Rmb/kg	4.2	4.2	4.6	5.0	4.9	5.1	5.2	5.0	4.9
	Fruit	Rmb/kg	7.7	6.3	5.6	6.1	6.9	7.4	7.3	7.3	7.8
	Corn	Rmb/ton	2,437	1,933	2,223	2,835	2,844	2,820	2,373	2,308	2,410
Oil	Soybean Oil	Rmb/ton	8,650	5,770	6,603	9,481	10,647	8,536	7,962	8,278	8,592
	Palm Oil	Rmb/ton	9,576	4,785	5,935	8,865	10,976	7,630	8,375	9,177	9,355
	Oil	Index	236	159	173	236	290	266	245	232	235
Meat	Fish	Rmb/kg	10.3	7.6	8.3	10.8	9.9	9.2	9.9	10.1	10.4
	Chicken	Rmb/kg	7.5	9.8	7.3	8.3	8.9	8.8	7.6	7.1	7.5
	Pork	Rmb/kg	14.9	28.3	45.1	28.6	25.6	20.9	23.1	20.2	16.5
	Beef	Rmb/kg	66.5	63.9	73.2	77.2	77.6	74.0	63.7	63.0	66.3
	Shrimp	Rmb/kg	305	201	303	341	305	267	305	315	295
	Duck	Rmb/kg	19.6	20.6	23.8	25.5	23.2	23.6	23.0	20.6	20.2
	Chicken US	USD/kg	2.0	1.5	1.5	1.5	1.8	1.9	2.0	2.1	2.0
Sugar, starch, milk	Starch	Index	2,687	2,304	2,551	3,110	3,161	2,964	2,754	2,590	2,670
	Glutinous rice	Rmb/500g	3.2	3.1	3.6	3.2	3.0	3.2	3.2	3.2	3.2
	Corn starch	Index	2,688	2,299	2,543	3,119	3,123	2,970	2,749	2,581	2,663
	Molasses	Rmb/ton	880	827	1,071	1,478	1,605	1,638	1,379	1,128	812
	Butter	USD/MT	5,600	4,477	3,832	5,086	5,721	4,819	6,552	7,062	5,932
	Flour	Index	113	110	110	112	114	115	115	113	113
	MSG	Rmb/bag	10.3	9.7	9.7	9.9	9.9	10.0	10.1	9.6	9.7
	Sugar	Rmb/ton	5,425	5,266	5,270	5,628	5,747	6,563	6,121	5,709	5,334
	Milk powder	USD/ton	3,757	3,118	2,975	3,843	3,889	3,088	3,439	3,902	3,661
	Raw milk	Rmb/kg	3.0	3.7	3.8	4.3	4.2	3.8	3.3	3.1	3.0
Packaging	Pulp	Rmb/ton	3,579	3,699	3,647	4,413	4,188	3,516	3,343	3,378	3,445
	Glass	Index	96	101	100	102	101	100	98	97	96
	PET	Rmb/ton	9,067	7,021	4,875	6,184	7,127	6,793	6,659	6,136	7,865
	Aluminum	Rmb/ton	24,302	13,942	14,176	18,906	19,987	18,713	19,920	20,711	24,165
Others	Alcoholic PPI	Index	98	98	98	100	101	102	102	101	99
	Condiments PPI	Index	98	102	99	105	107	99	97	98	98
	PPI	Index	110	105	103	111	115	112	109	107	109
	Sunflower seeds	Rmb/kg	10.9	9.6	8.5	7.6	n.a.	12.2	10.5	11.5	10.9
	Rawhide	Index	83	70	75	123	103	93	97	85	84

Barley, Rawhide and PPI related prices are as of Apr 2025.

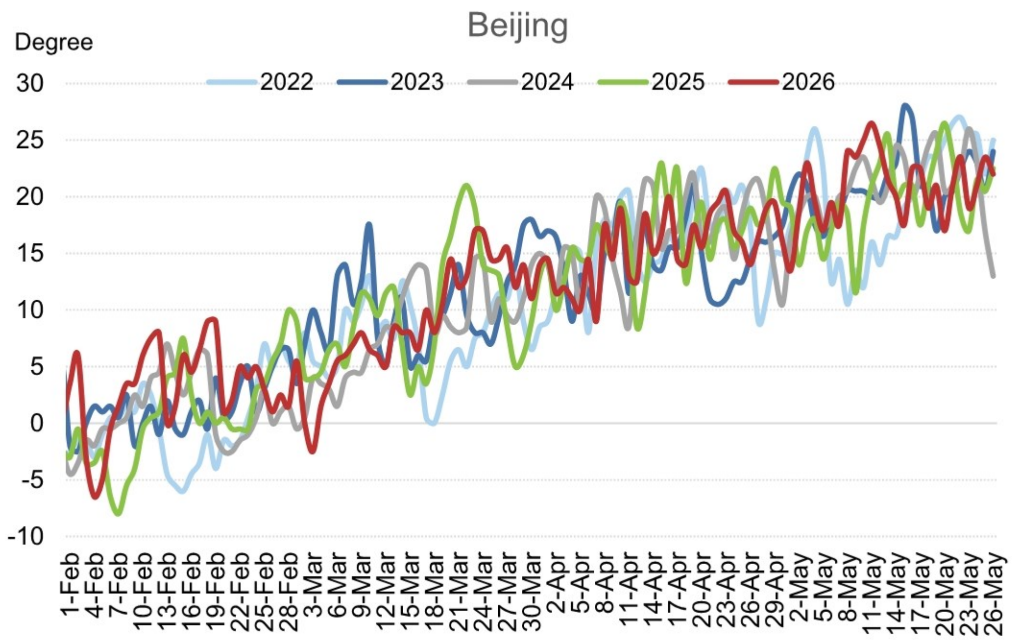
Source: Wind, Bloomberg, Data compiled by Goldman Sachs Global Investment Research, CEIC

Exhibit 29: Shanghai average temperature level - May



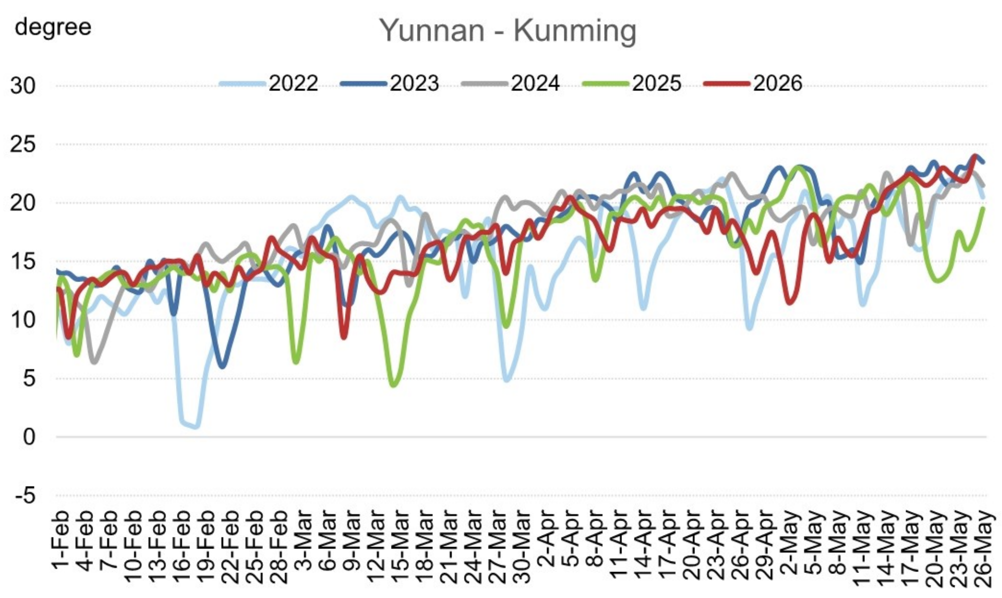
Source: Wind

Exhibit 30: Beijing average temperature level - May



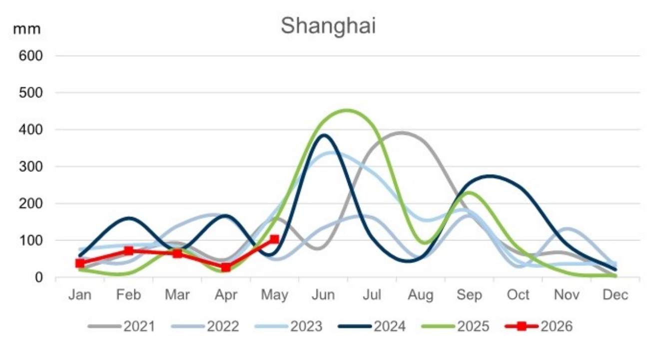
Source: Wind

Exhibit 31: Kunming average temperature level - May



Source: Wind

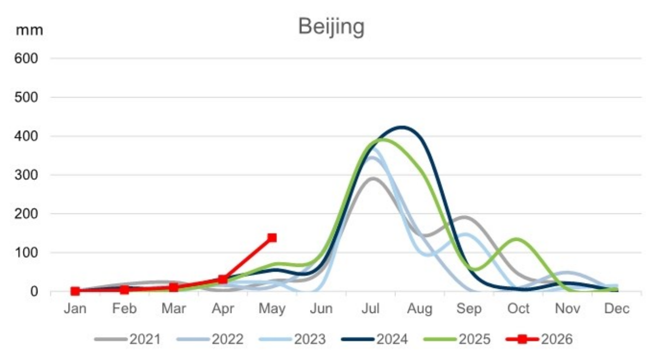
Exhibit 32: Shanghai monthly precipitation



Data as of May 2026.

Source: CEIC

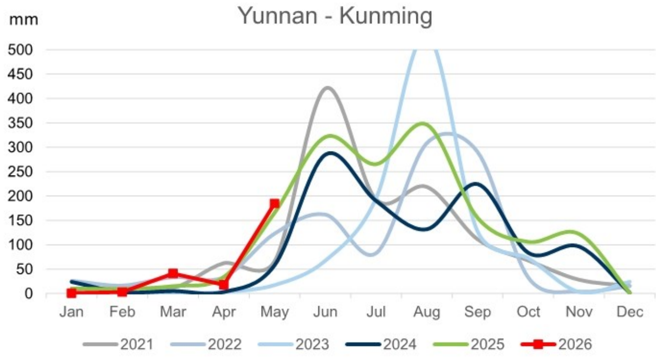
Exhibit 33: Bejing monthly precipitation



Data as of May 2026.

Source: CEIC

Exhibit 34: Kunming monthly precipitation



Data as of May 2026.

Source: CEIC

Company Cost Index by Quarter

Exhibit 35: Beer's cost index edged slightly lowr in May mom mainly on sequentially lower Aluminum price

Cost index vs. GPM & sales growth - beer

Beer	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	Recent MOM
Cost index																							
CR Beer	9%	21%	23%	19%	18%	10%	2%	3%	-2%	-6%	-6%	-9%	-9%	-5%	-5%	-2%	-1%	-3%	3%	4%	7%	10%	-0.7%
Bud Apac	8%	18%	20%	17%	15%	9%	3%	4%	0%	-5%	-7%	-10%	-10%	-6%	-6%	-3%	-2%	-3%	2%	3%	5%	8%	-0.4%
Tsingtao Brewery	8%	19%	20%	18%	15%	9%	2%	3%	-1%	-5%	-7%	-10%	-10%	-6%	-6%	-3%	-2%	-3%	2%	4%	5%	8%	-0.5%
Chongqing Brewery	6%	13%	14%	12%	10%	7%	1%	2%	-1%	-5%	-5%	-7%	-7%	-5%	-5%	-4%	-3%	-3%	2%	3%	4%	6%	-0.2%
GPM yoy change																							
CR Beer		2%		-1%		0%		-2%		4%		1%		1%		2%		-11%		2%		-3%	
Bud Apac	9%	-1%	1%	3%	-2%	-5%	-4%	-6%	-1%	1%	0%	2%	1%	0%	0%	4%	0%	-1%	0%	-1%	0%	0%	
Tsingtao Brewery	-2%	-5%	-4%	-3%	0%	1%	0%	-2%	1%	2%	3%	3%	2%	3%	1%	-2%	-18%	0%	3%	1%	-1%	1%	
Chongqing Brewery	3%	-4%	0%	7%	0%	0%	0%	0%	-3%	2%	-1%	-7%	3%	-1%	-1%	-5%	1%	1%	2%	13%	1%	0%	
Sales growth yoy	**1Q21**	**2Q21**	**3Q21**	**4Q21**	**1Q22**	**2Q22**	**3Q22**	**4Q22**	**1Q23**	**2Q23**	**3Q23**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	
CR Beer		13%		-2%		7%		4%		14%		6%		-1%		-1%		1%		-6%			
Bud Apac	70%	14%	3%	20%	0%	-2%	-1%	-18%	4%	8%	2%	11%	-3%	-11%	-10%	-12%	-11%	-5%	-9%	-6%	2%	8%	
Tsingtao Brewery	42%	0%	-3%	2%	3%	7%	16%	-10%	16%	8%	-5%	-3%	-5%	-9%	-5%	7%	3%	1%	0%	-2%	-2%	2%	
Chongqing Brewery	57%	10%	18%	1%	17%	6%	5%	-4%	5%	10%	7%	-4%	7%	2%	-7%	-11%	1%	-2%	0%	5%	0%	3%	

2Q26 data is from GSe.

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 36: Cost index in May trended higher for condiment companies, with price pressure on soybean/sugar/PET while partially offset by cost tailwinds of soybean oil

Cost index vs. GPM & sales growth - condiments

Condiments	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	Recent MOM
Cost index yoy																							
Haitian	8%	15%	14%	12%	8%	9%	6%	1%	-3%	-5%	-2%	-1%	-4%	-6%	-10%	-9%	-6%	-5%	-3%	-2%	-1%	6%	0.7%
Jonjee	12%	21%	17%	12%	9%	11%	8%	4%	-2%	-6%	-2%	-2%	-6%	-7%	-13%	-12%	-7%	-7%	-3%	0%	0%	7%	0.9%
Qianhe	6%	9%	9%	10%	7%	7%	5%	0%	-6%	-9%	-6%	-6%	-5%	-3%	-6%	-6%	-2%	-2%	-1%	1%	0%	5%	0.0%
Yihai	17%	13%	10%	10%	4%	12%	7%	-5%	-9%	-14%	-10%	-7%	-7%	-5%	0%	2%	-1%	0%	-2%	1%	6%	7%	-0.9%
Teway	12%	15%	12%	13%	7%	10%	6%	-4%	-9%	-14%	-10%	-8%	-6%	-4%	-3%	-1%	-1%	0%	0%	0%	3%	6%	0.9%
GPM yoy change																							
Haitian	-5%	-3%	-3%	-4%	-3%	-2%	-3%	-4%	-1%	0%	-1%	-2%	0%	2%	2%	5%	3%	4%	3%	3%	1%	2%	
Jonjee	-6%	-11%	-10%	-2%	-3%	-1%	1%	-7%	-1%	1%	3%	1%	6%	4%	5%	13%	2%	3%	1%	-7%	4%	1%	
Qianhe	-6%	-9%	-9%	9%	-8%	-5%	-6%	2%	4%	2%	3%	-4%	-3%	-2%	1%	5%	3%	0%	1%	-3%	0%	-2%	
Yihai		-7%		-6%		-4%		-1%		2%		1%		-1%		0%		0%		3%		2%	
Teway	-4%	-18%	-10%	-6%	0%	9%	-1%	1%	5%	-3%	5%	6%	3%	2%	1%	1%	-3%	4%	2%	3%	4%	1%	
Sales growth yoy	**1Q21**	**2Q21**	**3Q21**	**4Q21**	**1Q22**	**2Q22**	**3Q22**	**4Q22**	**1Q23**	**2Q23**	**3Q23**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	
Haitian	22%	-9%	3%	23%	1%	22%	-2%	-7%	-3%	-5%	2%	-9%	10%	8%	10%	10%	8%	7%	2%	11%	9%	9%	
Jonjee	10%	-25%	-13%	30%	7%	24%	19%	-19%	1%	-1%	0%	-14%	9%	-12%	2%	33%	-26%	-9%	-23%	-34%	20%	13%	
Qianhe	33%	-7%	11%	21%	1%	31%	15%	55%	70%	34%	48%	-1%	9%	-3%	-13%	-10%	-7%	-30%	-4%	4%			
Yihai		19%		5%		2%		4%		-3%		2%		12%		2%		0%		2%		8%	
Teway	56%	-15%	-37%	-25%	21%	18%	82%	25%	22%	13%	16%	17%	11%	-7%	11%	22%	-25%	22%	14%	-7%	76%	0%	

2Q26 data is from GSe.

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 37: MoM cost trends for dairy/beverage/snacks are higher in May, with cost headwinds of PET/milk powder/cocoa/paper pulp, partially offset by Aluminum/palm oil

Cost index vs. GPM & sales growth - F&B, snacks

F&B, snacks	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	Recent MOM
Cost index yoy																							
Yili	9%	18%	15%	13%	6%	3%	-1%	-4%	-6%	-8%	-8%	-6%	-6%	-6%	-7%	-6%	-5%	-4%	-2%	-3%	-2%	1%	0.4%
Mengniu	9%	19%	16%	13%	5%	3%	-1%	-5%	-7%	-8%	-8%	-7%	-6%	-7%	-7%	-7%	-6%	-4%	-2%	-3%	-2%	2%	0.5%
Feihe	7%	17%	16%	15%	10%	6%	0%	-4%	-6%	-7%	-6%	-4%	-4%	-3%	-5%	-5%	-4%	-4%	-2%	-3%	1%	6%	0.1%
Tingyi	4%	13%	13%	17%	10%	9%	2%	-4%	-5%	-8%	-5%	-3%	-3%	-2%	-3%	-3%	-3%	-4%	-3%	-2%	0%	8%	0.4%
UPC	4%	13%	13%	17%	10%	10%	2%	-5%	-5%	-8%	-4%	-3%	-2%	-3%	-3%	-3%	-2%	-4%	-3%	-2%	-1%	6%	0.4%
Nongfu	6%	19%	18%	26%	12%	11%	3%	-7%	-9%	-11%	-9%	-5%	-2%	-1%	-2%	-3%	-3%	-7%	-4%	-2%	-1%	14%	1.3%
CR Beverage	6%	19%	17%	26%	11%	10%	3%	-7%	-8%	-12%	-11%	-6%	-4%	-3%	-3%	-5%	-5%	-7%	-4%	0%	3%	17%	1.0%
Eastroc	1%	13%	15%	20%	12%	11%	3%	-4%	-3%	-3%	1%	2%	0%	-4%	-6%	-6%	-5%	-6%	-4%	-4%	-1%	8%	0.6%
Chacha																							-2.2%
GPM yoy change																							
Yili	-5%	-7%	-5%	-5%	2%	0%	-1%	3%	0%	1%	1%	0%	-1%	0%	2%	0%	2%	1%	2.4%	-0.8%	1.8%	0.4%	
Mengniu		-1%		-1%		-2%		-1%		2%		2%		2%		3%		3%		-2%		0%	
Feihe		2%		-7%		-6%		-4%		-2%		1%		3%		1%		-6%		4%		3%	
Tingyi		-2%		-3%		-3%		0%		2%		0%		2%		4%		3%		1%		-2%	
UPC		-1%		-5%		-5%		-2%		1%		2%		-1%		1%		2%		4%		-2.0%	
Nongfu		1%		0%		-2%		-2%		1%		3%		-1%		-2%		2%		3%		1.2%	
Eastroc	0%	5%	-1%	-17%	-6%	-8%	-6%	16%	0%	1%	1%	1%	-1%	3%	4%	-1%	2%	0%	-0.6%	-0.1%	2.4%	0.8%	
Chacha	32%	32%	35%	36%	1%	-2%	-2%	-1%	-4%	-12%	-9%	-8%	2%	7%	9%	1%	-10%	-4%	-7%	1%	8%	9%	
Sales growth yoy	**1Q21**	**2Q21**	**3Q21**	**4Q21**	**1Q22**	**2Q22**	**3Q22**	**4Q22**	**1Q23**	**2Q23**	**3Q23**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	
Yili	32%	8%	9%	11%	13%	11%	7%	15%	8%	1%	3%	-2%	-3%	-17%	-7%	-7%	1%	6%	-2%	-5%	5%	4%	
Mengniu		22%		10%		4%		6%		7%		6%		-15%		-5%		-8%		-7%		8%	
Feihe		33%		14%		-16%		4%		1%		-16%		4%		9%		-9%		-16%		-8%	
Tingyi		7%		12%		8%		5%		7%		-2%		1%		0%		-3%		-1%		3%	
UPC		10%		12%		7%		17%		5%		-2%		6%		6%		11%		-2%		3%	
Nongfu		31%		28%		9%		15%		23%		33%		8%		-7%		16%		30%		18%	
Eastroc	83%	28%	19%	55%	17%	16%	25%	31%	24%	30%	35%	41%	40%	48%	47%	25%	39%	34%	30%	23%	21%	22%	

Chacha shows sunflower seeds cost index & sunflower seeds segment GPM YoY change. 2Q26 data is from GSe.

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 38: Frozen foods' cost mixed; lower corn starch/palm oil/butter offseting higher chicken/shrimp

Cost index vs. GPM & sales growth - frozen food

Frozen food	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	Recent MOM
Cost index yoy																							
Anjoy	15%	22%	21%	18%	7%	2%	-4%	-6%	-7%	-11%	-7%	-8%	-5%	-2%	0%	4%	1%	-2%	-2%	-2%	1%	2%	1.7%
Sanquan	-4%	-18%	-30%	-24%	-26%	-11%	11%	16%	6%	2%	-8%	-14%	-2%	4%	7%	4%	1%	-2%	-8%	-8%	-6%	-8%	0.1%
Qianweiyangchu	7%	5%	2%	4%	3%	5%	3%	0%	-3%	-3%	0%	0%	2%	3%	3%	3%	2%	1%	1%	-3%	-4%	-5%	-0.8%
Ligao	21%	38%	28%	28%	27%	32%	4%	-11%	-21%	-29%	-11%	-6%	1%	5%	6%	18%	14%	9%	8%	-7%	-7%	-2%	-1.0%
Angel Yeast	13%	21%	17%	18%	10%	8%	7%	-1%	3%	-4%	-3%	-1%	-5%	-8%	-9%	-7%	-11%	-7%	-5%	-10%	-10%	-6%	0.0%
GPM yoy change																							
Anjoy	-2%	-7%	-8%	0%	-2%	-2%	1%	1%	1%	0%	2%	3%	2%	1%	-2%	-1%	-3%	-3%	0%	-1%	2%	3%	
Sanquan	-8%	-16%	-9%	2%	2%	4%	1%	-3%	-3%	-1%	-1%	-4%	-2%	-2%	-2%	-1%	-1%	-2%	0%	3%	0%	1%	
Qianweiyangchu		0%	0%	1%	0%	2%	1%	1%	1%	0%	-1%	0%	0%	2%	0%	-3%	0%	-2%	-1%	1%	-1%	2%	
Ligao	1%	-8%	-1%	-4%	-3%	-6%	-2%	-2%	-1%	4%	0%	-4%	1%	-1%	-1%	1%	-3%	-2%	-2%	0%	0%	1%	
Angel Yeast	-5%	-12%	-15%	4%	-7%	-4%	-3%	2%	-1%	-3%	3%	-1%	-1%	0%	-4%	1%	1%	2%	3%	-1%	0%	0%	
Sales growth yoy	**1Q21**	**2Q21**	**3Q21**	**4Q21**	**1Q22**	**2Q22**	**3Q22**	**4Q22**	**1Q23**	**2Q23**	**3Q23**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	
Anjoy	47%	28%	35%	28%	24%	46%	31%	27%	36%	26%	17%	-6%	18%	2%	5%	7%	-4%	6%	7%	19%	31%	8%	
Sanquan	5%	-14%	-2%	8%	0%	13%	5%	13%	1%	0%	3%	-22%	-5%	-5%	-6%	-8%	-2%	-4%	-2%	2%	11%	4%	
Qianweiyangchu		-24%	32%	15%	20%	8%	19%	19%	23%	40%	25%	25%	8%	2%	-1%	-12%	1%	-3%	4%	3%	24%	7%	
Ligao	131%	61%	34%	40%	9%	3%	3%	0%	26%	21%	30%	7%	15%	3%	-1%	22%	14%	18%	15%	8%	0%	11%	
Angel Yeast	30%	12%	13%	23%	14%	19%	23%	25%	12%	8%	2%	2%	3%	11%	27%	9%	9%	11%	4%	15%	19%	10%	

2Q26 data is from GSe.

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 39: Cost of pet food trended mixed in May, with higher chicken/PET but lower starch prices

Cost index vs. GPM & sales growth - pet food

Pet	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	Recent MOM
Cost index yoy																							
China Pet Foods	12%	14%	13%	14%	4%	8%	7%	3%	2%	-3%	-3%	-4%	-4%	-5%	-4%	-2%	-6%	-5%	-5%	-4%	2%	8%	0.4%
Petpal	16%	27%	21%	27%	15%	3%	2%	-7%	-6%	-6%	0%	0%	0%	-1%	-3%	-3%	-6%	-7%	-7%	-2%	2%	7%	0.3%
Gambol	9%	12%	13%	14%	5%	6%	5%	0%	1%	-4%	-5%	-6%	-6%	-6%	-5%	-3%	-6%	-5%	-5%	-3%	2%	6%	0.4%
GPM yoy change																							
China Pet Foods		-1%		-6%		-4%		2%		7%		8%		-22%		-28%							
Petpal		3%		-6%		0%		-3%		-9%		4%		12%		11%							
Sales growth yoy	**1Q21**	**2Q21**	**3Q21**	**4Q21**	**1Q22**	**2Q22**	**3Q22**	**4Q22**	**1Q23**	**2Q23**	**3Q23**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	
China Pet Foods	50%	13%	19%	42%	42%	14%	13%	-7%	-11%	27%	17%	28%	24%	7%	24%	23%	25%	23%	16%	7%	39%	23%	
Petpal	33%	15%	-48%	-3%	7%	29%	149%	6%	-54%	-34%	-17%	31%	142%	38%	13%	-32%	-14%	-14%	-24%	7%	7%	13%	
Gambol									25%	21%	31%	34%	21%	14%	19%	30%	35%	31%	22%	29%	11%	26%	

Both China Pet Foods and Petpal show overseas segment cost index and overseas segment GPM YoY change. 2Q26 data is from GSe.

Source: Company data, Goldman Sachs Global Investment Research

Disclosure Appendix

Reg AC

We, Leaf Liu, Valerie Zhou and Christina Liu, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Unless otherwise stated, the individuals listed on the cover page of this report are analysts in Goldman Sachs' Global Investment Research division.

Contributing Authors: Leaf Liu Goldman Sachs (Asia) L.L.C., Valerie Zhou Goldman Sachs (Asia) L.L.C., Christina Liu Goldman Sachs (Asia) L.L.C..

Unless otherwise stated, the individuals listed in the Contributing Authors disclosure of this report are analysts in Goldman Sachs' Global Investment Research division.

GS Factor Profile

The Goldman Sachs Factor Profile provides investment context for a stock by comparing key attributes to the market (i.e. our universe of rated stocks) and its sector peers. The four key attributes depicted are: Growth, Financial Returns, Multiple (e.g. valuation) and Integrated (a composite of Growth, Financial Returns and Multiple). Growth, Financial Returns and Multiple are calculated by using normalized ranks for specific metrics for each stock. The normalized ranks for the metrics are then averaged and converted into percentiles for the relevant attribute. The precise calculation of each metric may vary depending on the fiscal year, industry and region, but the standard approach is as follows:

Growth is based on a stock's forward-looking sales growth, EBITDA growth and EPS growth (for financial stocks, only EPS and sales growth), with a higher percentile indicating a higher growth company. **Financial Returns** is based on a stock's forward-looking ROE, ROCE and CROCI (for financial stocks, only ROE), with a higher percentile indicating a company with higher financial returns. **Multiple** is based on a stock's forward-looking P/E, P/B, price/dividend (P/D), EV/EBITDA, EV/FCF and EV/Debt Adjusted Cash Flow (DACF) (for financial stocks, only P/E, P/B and P/D), with a higher percentile indicating a stock trading at a higher multiple. The **Integrated** percentile is calculated as the average of the Growth percentile, Financial Returns percentile and (100% - Multiple percentile).

Financial Returns and Multiple use the Goldman Sachs analyst forecasts at the fiscal year-end at least three quarters in the future. Growth uses inputs for the fiscal year at least seven quarters in the future compared with the year at least three quarters in the future (on a per-share basis for all metrics).

For a more detailed description of how we calculate the GS Factor Profile, please contact your GS representative.

M&A Rank

Across our global coverage, we examine stocks using an M&A framework, considering both qualitative factors and quantitative factors (which may vary across sectors and regions) to incorporate the potential that certain companies could be acquired. We then assign a M&A rank as a means of scoring companies under our rated coverage from 1 to 3, with 1 representing high (30%-50%) probability of the company becoming an acquisition target, 2 representing medium (15%-30%) probability and 3 representing low (0%-15%) probability. For companies ranked 1 or 2, in line with our standard departmental guidelines we incorporate an M&A component into our target price. M&A rank of 3 is considered immaterial and therefore does not factor into our price target, and may or may not be discussed in research.

Quantum

Quantum is Goldman Sachs' proprietary database providing access to detailed financial statement histories, forecasts and ratios. It can be used for in-depth analysis of a single company, or to make comparisons between companies in different sectors and markets.

Disclosures

Distribution of ratings/investment banking relationships

Goldman Sachs Investment Research global Equity coverage universe

	Rating Distribution			Investment Banking Relationships		
	Buy	Hold	Sell	Buy	Hold	Sell
Global	50%	34%	16%	65%	60%	45%

As of April 1, 2026, Goldman Sachs Global Investment Research had investment ratings on 3,074 equity securities. Goldman Sachs assigns stocks as Buys and Sells on various regional Investment Lists; stocks not so assigned are deemed Neutral. Such assignments equate to Buy, Hold and Sell for the purposes of the above disclosure required by the FINRA Rules. See 'Ratings, Coverage universe and related definitions' below. The Investment Banking Relationships chart reflects the percentage of subject companies within each rating category for whom Goldman Sachs has provided investment banking services within the previous twelve months.

Regulatory disclosures

Disclosures required by United States laws and regulations

See company-specific regulatory disclosures above for any of the following disclosures required as to companies referred to in this report: manager or co-manager in a pending transaction; 1% or other ownership; compensation for certain services; types of client relationships; managed/co-managed public offerings in prior periods; directorships; for equity securities, market making and/or specialist role. Goldman Sachs trades or may trade as a principal in debt securities (or in related derivatives) of issuers discussed in this report.

The following are additional required disclosures: **Ownership and material conflicts of interest:** Goldman Sachs policy prohibits its analysts, professionals reporting to analysts and members of their households from owning securities of any company in the analyst's area of coverage. **Analyst compensation:** Analysts are paid in part based on the profitability of Goldman Sachs, which includes investment banking revenues. **Analyst as officer or director:** Goldman Sachs policy generally prohibits its analysts, persons reporting to analysts or members of their households from serving as an officer, director or advisor of any company in the analyst's area of coverage. **Non-U.S. Analysts:** Non-U.S. analysts may not be associated persons of Goldman Sachs & Co. LLC and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading in securities covered by the analysts.

Distribution of ratings: See the distribution of ratings disclosure above. **Price chart:** See the price chart, with changes of ratings and price targets in prior periods, above, or, if electronic format or if with respect to multiple companies which are the subject of this report, on the Goldman Sachs website at https://www.gs.com/research/hedge.html.

Additional disclosures required under the laws and regulations of jurisdictions other than the United States

The following disclosures are those required by the jurisdiction indicated, except to the extent already made above pursuant to United States laws and regulations. **Australia:** Goldman Sachs Australia Pty Ltd and its affiliates are not authorised deposit-taking institutions (as that term is defined in the Banking Act 1959 (Cth)) in Australia and do not provide banking services, nor carry on a banking business, in Australia. This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act, unless otherwise agreed by Goldman Sachs. In producing research reports, members of Global Investment Research of Goldman Sachs Australia may attend site visits and other meetings hosted by the companies and other entities which are the subject of its research reports. In some instances the costs of such site visits or meetings may be met in part or in whole by the issuers concerned if Goldman Sachs Australia considers it is appropriate and reasonable in the specific circumstances relating to the site visit or meeting. To the extent that the contents of this document contains any financial product advice, it is general advice only and has been prepared by Goldman Sachs without taking into account a client's objectives, financial situation or needs. A client should, before acting on any such advice, consider the appropriateness of the advice having regard to the client's own objectives, financial situation and needs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests and a copy of Goldman Sachs' Australian Sell-Side Research Independence Policy Statement are available at: https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html. **Brazil:** Disclosure information in relation to CVM Resolution n. 20 is available at https://www.gs.com/worldwide/brazil/area/gir/index.html. Where applicable, the Brazil-registered analyst primarily responsible for the content of this research report, as defined in Article 20 of CVM Resolution n. 20, is the first author named at the beginning of this report, unless indicated otherwise at the end of the text. **Canada:** This information is being provided to you for information purposes only and is not, and under no circumstances should be construed as, an advertisement, offering or solicitation by Goldman Sachs & Co. LLC for purchasers of securities in Canada to trade in any Canadian security. Goldman Sachs & Co. LLC is not registered as a dealer in any jurisdiction in Canada under applicable Canadian securities laws and generally is not permitted to trade in Canadian securities and may be prohibited from selling certain securities and products in certain jurisdictions in Canada. If you wish to trade in any Canadian securities or other products in Canada please contact Goldman Sachs Canada Inc., an affiliate of The Goldman Sachs Group Inc., or another registered Canadian dealer. **Hong Kong:** Further information on the securities of covered companies referred to in this research may be obtained on request from Goldman Sachs (Asia) L.L.C. **India:** Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (India) Securities Private Limited, Research Analyst - SEBI Registration Number INH000001493, 10th Floor, Ascent-Worli, Sudam Kalu Ahire Marg, Worli, Mumbai-400 025, India, Corporate Identity Number U74140MH2006FTC160634, Phone +91 22 6616 9000, Fax +91 22 6616 9001. Goldman Sachs may beneficially own 1% or more of the securities (as such term is defined in clause 2 (h) the Indian Securities Contracts (Regulation) Act, 1956) of the subject company or companies referred to in this research report. Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Goldman Sachs (India) Securities Private Limited compliance officer and investor grievance contact details can be found at: https://www.goldmansachs.com/worldwide/india/documents/Grievance-Redressal-and-Escalation-Matrix.pdf, and a copy of the annual audit compliance report can be found at this link: https://publishing.gs.com/content/site/india-annual-compliance-report.html. **Japan:** See below. **Korea:** This research, and any access to it, is intended only for "professional investors" within the meaning of the Financial Services and Capital Markets Act, unless otherwise agreed by Goldman Sachs. Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (Asia) L.L.C., Seoul Branch. **New Zealand:** Goldman Sachs New Zealand Limited and its affiliates are neither "registered banks" nor "deposit takers" (as defined in the Reserve Bank of New Zealand Act 1989) in New Zealand. This research, and any access to it, is intended for "wholesale clients" (as defined in the Financial Advisers Act 2008) unless otherwise agreed by Goldman Sachs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests is available at: https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html. **Russia:** Research reports distributed in the Russian Federation are not advertising as defined in the Russian legislation, but are information and analysis not having product promotion as their main purpose and do not provide appraisal within the meaning of the Russian legislation on appraisal activity. Research reports do not constitute a personalized investment recommendation as defined in Russian laws and regulations, are not addressed to a specific client, and are prepared without analyzing the financial circumstances, investment profiles or risk profiles of clients. Goldman Sachs assumes no responsibility for any investment decisions that may be taken by a client or any other person based on this research report. **Singapore:** Goldman Sachs (Singapore) Pte. (Company Number: 198602165W), which is regulated by the Monetary Authority of Singapore, accepts legal responsibility for this research, and should be contacted with respect to any matters arising from, or in connection with, this research. **Taiwan:** This material is for reference only and must not be reprinted without permission. Investors should carefully consider their own investment risk. Investment results are the responsibility of the individual investor. **United Kingdom:** Persons who would be categorized as retail clients in the United Kingdom, as such term is defined in the rules of the Financial Conduct Authority, should read this research in conjunction with prior Goldman Sachs research on the covered companies referred to herein and should refer to the risk warnings that have been sent to them by Goldman Sachs International. A copy of these risks warnings, and a glossary of certain financial terms used in this report, are available from Goldman Sachs International on request.

European Union and United Kingdom: Disclosure information in relation to Article 6 (2) of the European Commission Delegated Regulation (EU) (2016/958) supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council (including as that Delegated Regulation is implemented into United Kingdom domestic law and regulation following the United Kingdom's departure from the European Union and the European Economic Area) with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest is available at https://www.gs.com/disclosures/europeanpolicy.html which states the European Policy for Managing Conflicts of Interest in Connection with Investment Research.

Japan: Goldman Sachs Japan Co., Ltd. is a Financial Instrument Dealer registered with the Kanto Financial Bureau under registration number Kinsho 69, and a member of Japan Securities Dealers Association, Financial Futures Association of Japan Type II Financial Instruments Firms Association, and Investment Management Association of Japan. Sales and purchase of equities are subject to commission pre-determined with clients plus consumption tax. See company-specific disclosures as to any applicable disclosures required by Japanese stock exchanges, the Japanese Securities Dealers Association or the Japanese Securities Finance Company.

Ratings, coverage universe and related definitions

Buy (B), Neutral (N), Sell (S) Analysts recommend stocks as Buys or Sells for inclusion on various regional Investment Lists. Being assigned a Buy or Sell on an Investment List is determined by a stock's total return potential relative to its coverage universe. Any stock not assigned as a Buy or a Sell on an Investment List with an active rating (i.e., a stock that is not Rating Suspended, Not Rated, Early-Stage Biotech, Coverage Suspended or Not Covered), is deemed Neutral. Each region manages Regional Conviction Lists, which are selected from Buy rated stocks on the respective region's Investment Lists and represent investment recommendations focused on the size of the total return potential and/or the likelihood of the realization of the return across their respective areas of coverage. The addition or removal of stocks from such Conviction Lists are managed by the Investment Review Committee or other designated committee in each respective region and do not represent a change in the analysts' investment rating for such stocks.

Total return potential represents the upside or downside differential between the current share price and the price target, including all paid or anticipated dividends, expected during the time horizon associated with the price target. Price targets are required for all covered stocks. The total return potential, price target and associated time horizon are stated in each report adding or reiterating an Investment List membership.

Coverage Universe: A list of all stocks in each coverage universe is available by primary analyst, stock and coverage universe at https://www.gs.com/research/hedge.html.

Not Rated (NR). The investment rating, target price and earnings estimates (where relevant) are removed pursuant to Goldman Sachs policy when Goldman Sachs is acting in an advisory capacity in a merger or in a strategic transaction involving this company, when there are legal, regulatory or policy constraints due to Goldman Sachs' involvement in a transaction, and in certain other circumstances. **Early-Stage Biotech (ES).** An investment rating and a target price are not assigned pursuant to Goldman Sachs policy when this company has neither a drug, treatment or medical device that has passed a Phase II clinical trial nor a license to distribute a post-Phase II drug, treatment or medical device. **Rating Suspended (RS).** Goldman Sachs Research has suspended the investment rating and price target for this stock, because there is not a sufficient fundamental basis for determining an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock and should not be relied upon. **Coverage Suspended (CS).** Goldman Sachs has suspended coverage of this company. **Not Covered (NC).** Goldman Sachs does not cover this company.

Global product; distributing entities

Goldman Sachs Global Investment Research produces and distributes research products for clients of Goldman Sachs on a global basis. Analysts based in Goldman Sachs offices around the world produce research on industries and companies, and research on macroeconomics, currencies, commodities and portfolio strategy. This research is disseminated in Australia by Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897); in Brazil by Goldman Sachs do Brasil Corretora de Títulos e Valores Mobiliários S.A.; Public Communication Channel Goldman Sachs Brazil: 0800 727 5764 and / or contatogoldmanbrasil@gs.com. Available Weekdays (except holidays), from 9am to 6pm. Canal de Comunicação com o Público Goldman Sachs Brasil: 0800 727 5764 e/ou contatogoldmanbrasil@gs.com. Horário de funcionamento: segunda-feira à sexta-feira (exceto feriados), das 9h às 18h; in Canada by Goldman Sachs & Co. LLC; in Hong Kong by Goldman Sachs (Asia) L.L.C.; in India by Goldman Sachs (India) Securities Private Ltd.; in Japan by Goldman Sachs Japan Co., Ltd.; in the Republic of Korea by Goldman Sachs (Asia) L.L.C., Seoul Branch; in New Zealand by Goldman Sachs New Zealand Limited; in Russia by OOO Goldman Sachs; in Singapore by Goldman Sachs (Singapore) Pte. (Company Number: 198602165W); and in the United States of America by Goldman Sachs & Co. LLC. Goldman Sachs International has approved this research in connection with its distribution in the United Kingdom.

Goldman Sachs International ("GSI"), authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA, has approved this research in connection with its distribution in the United Kingdom.

European Economic Area: Goldman Sachs Bank Europe SE ("GSBE") is a credit institution incorporated in Germany and, within the Single Supervisory Mechanism, subject to direct prudential supervision by the European Central Bank and in other respects supervised by German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank and disseminates research within the European Economic Area.

General disclosures

This research is for our clients only. Other than disclosures relating to Goldman Sachs, this research is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. The information, opinions, estimates and forecasts contained herein are as of the date hereof and are subject to change without prior notification. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Other than certain industry reports published on a periodic basis, the large majority of reports are published at irregular intervals as appropriate in the analyst's judgment.

Goldman Sachs conducts a global full-service, integrated investment banking, investment management, and brokerage business. We have investment banking and other business relationships with a substantial percentage of the companies covered by Global Investment Research. Goldman Sachs & Co. LLC, the United States broker dealer, is a member of SIPC (https://www.sipc.org).

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and principal trading desks that reflect opinions that are contrary to the opinions expressed in this research. Our asset management area, principal trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this research.

The analysts named in this report may have from time to time discussed with our clients, including Goldman Sachs salespersons and traders, or may discuss in this report, trading strategies that reference catalysts or events that may have a near-term impact on the market price of the equity securities discussed in this report, which impact may be directionally counter to the analyst's published price target expectations for such stocks. Any such trading strategies are distinct from and do not affect the analyst's fundamental equity rating for such stocks, which rating reflects a stock's return potential relative to its coverage universe as described herein.

We and our affiliates, officers, directors, and employees will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives, if any, referred to in this research, unless otherwise prohibited by regulation or Goldman Sachs policy.

The views attributed to third party presenters at Goldman Sachs arranged conferences, including individuals from other parts of Goldman Sachs, do not necessarily reflect those of Global Investment Research and are not an official view of Goldman Sachs.

Any third party referenced herein, including any salespeople, traders and other professionals or members of their household, may have positions in the products mentioned that are inconsistent with the views expressed by analysts named in this report.

This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of investments referred to in this research and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments.

Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Investors should review current options and futures disclosure documents which are available from Goldman Sachs sales representatives or at https://www.theocc.com/about/publications/character-risks.jsp and https://www.goldmansachs.com/disclosures/cftc_fcm_dis costs may be significant in option strategies calling for multiple purchase and sales of options such as spreads. Supporting docum supplied upon request.

Differing Levels of Service provided by Global Investment Research: The level and types of services provided to you by Goldm Investment Research may vary as compared to that provided to internal and other external clients of GS, depending on various fa individual preferences as to the frequency and manner of receiving communication, your risk profile and investment focus and pe marketwide, sector specific, long term, short term), the size and scope of your overall client relationship with GS, and legal and re As an example, certain clients may request to receive notifications when research on specific securities is published, and certain c that specific data underlying analysts' fundamental analysis available on our internal client websites be delivered to them electro feeds or otherwise. No change to an analyst's fundamental research views (e.g., ratings, price targets, or material changes to earnings estimates for equity securities), will be communicated to any client prior to inclusion of such information in a research report broadly disseminated through electronic publication to our internal client websites or through other means, as necessary, to all clients who are entitled to receive such reports.

All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client websites. Not all research content is redistributed to our clients or available to third-party aggregators, nor is Goldman Sachs responsible for the redistribution of our research by third party aggregators. For research, models or other data related to one or more securities, markets or asset classes (including related services) that may be available to you, please contact your GS representative or go to https://research.gs.com.

Disclosure information is also available at https://www.gs.com/research/hedge.html or from Research Compliance, 200 West Street, New York, NY 10282.