

## ***MONTHLY RESEARCH WEBINAR***

# **ARTIFICIAL INTELLIGENCE AND THE INDUSTRIAL SECTOR**

Moderator:

Jim Kelleher, CFA

Director of Research

May 6, 2026

## ■ **Artificial Intelligence and the Industrial Sector**

- Jim Kelleher, Argus Director of Research
- John Eade, Senior Analyst & Argus President
- Kris Ruggeri, Senior Analyst & Associate Director of Research

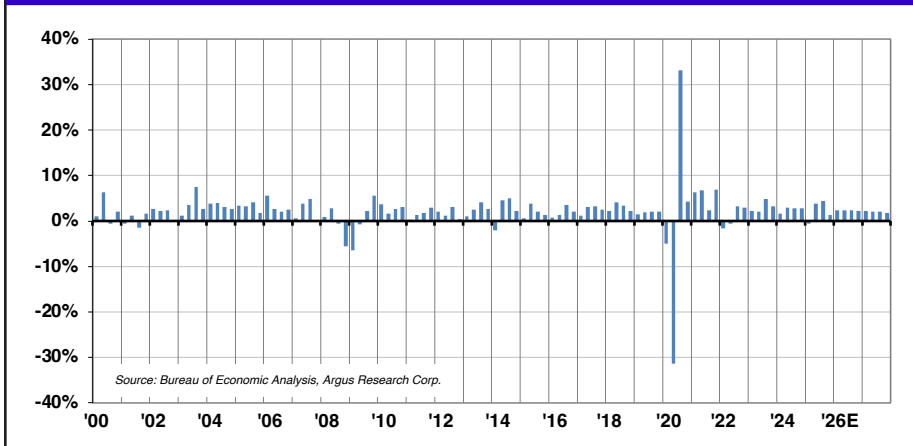
## ■ **Argus Quick Notes**

- Global Stock Stars
- Shooting Stars and Fallen Angels in 1Q26
- Small & Mid-Cap (SMID) Stocks
- AI Series: Financial & AI
- Find these on the homepage of our website

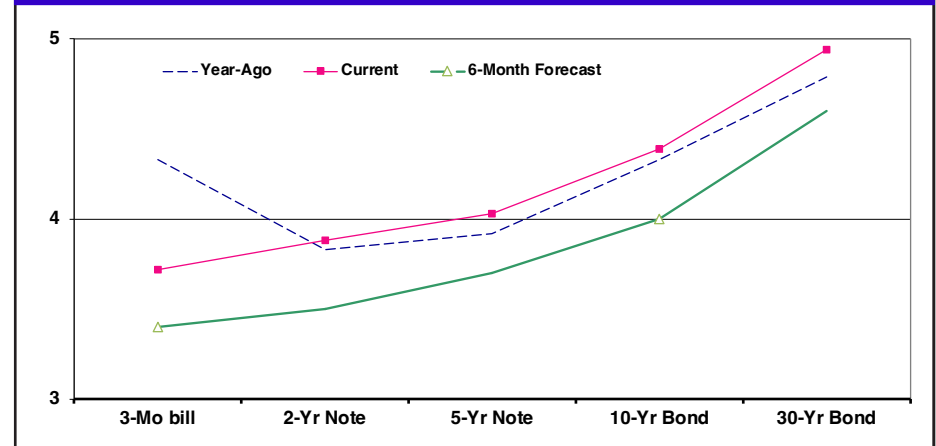
## ■ **Portfolio Update: the Argus Innovation Model Portfolio**

- U.S. innovation essential in competitive global market
- GDP in U.S. has grown 10-times faster than population
- Economic growth dependent on innovative products/services
- Find the Argus Innovation MP on the homepage of our website

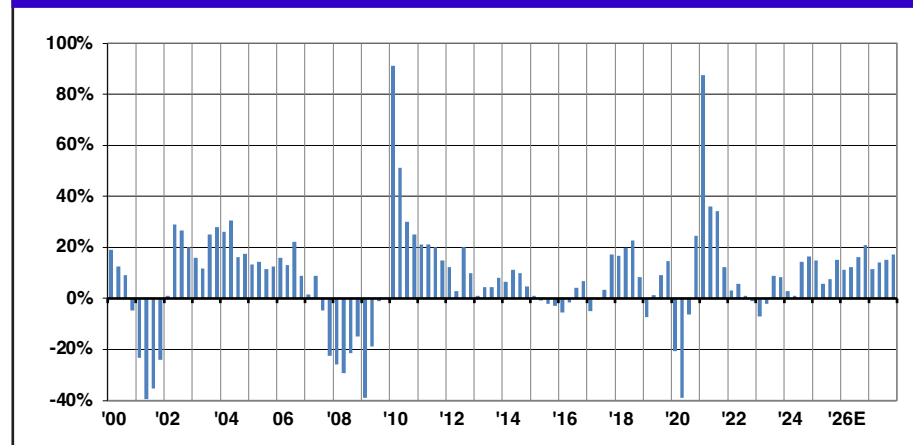
## REAL GDP W/FORECASTS



## TREASURY YIELD CURVE (%)

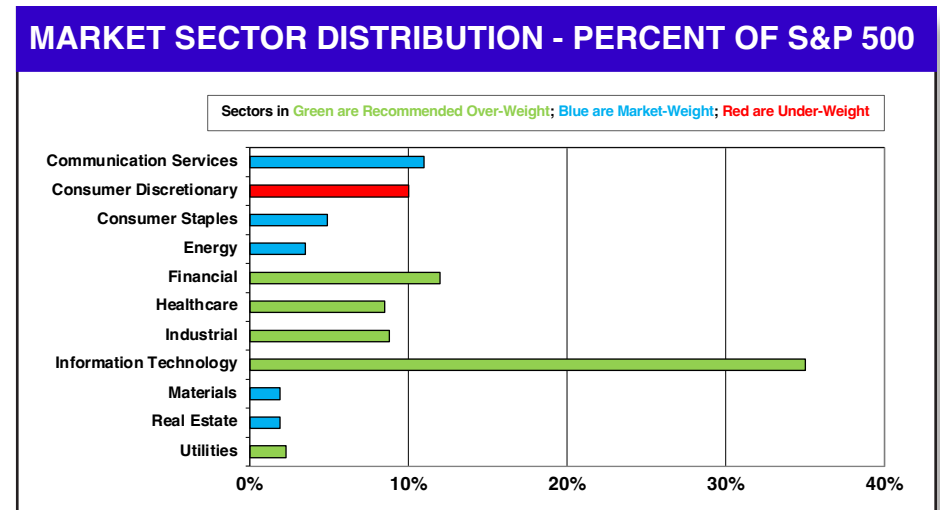
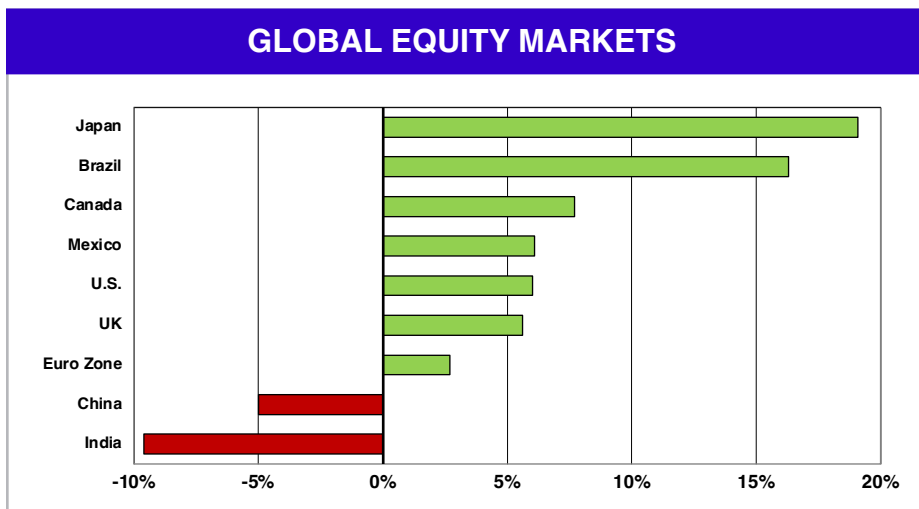
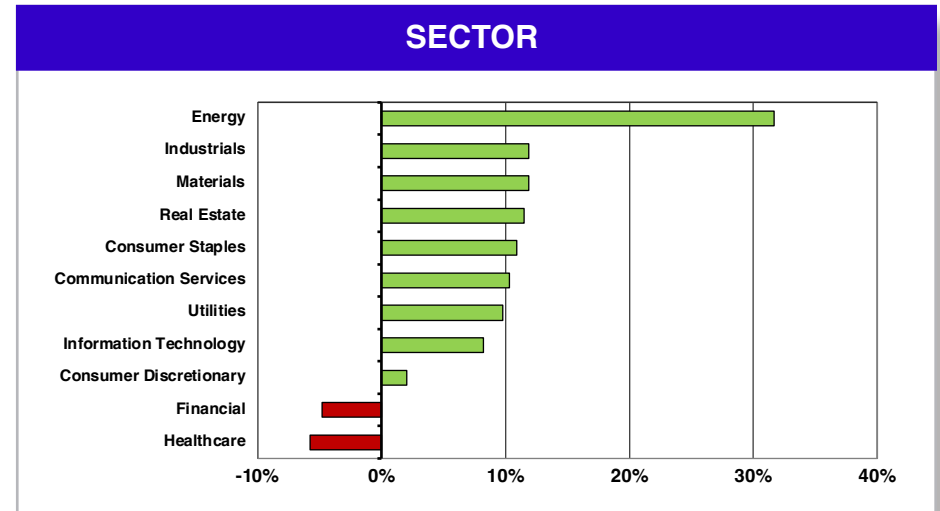
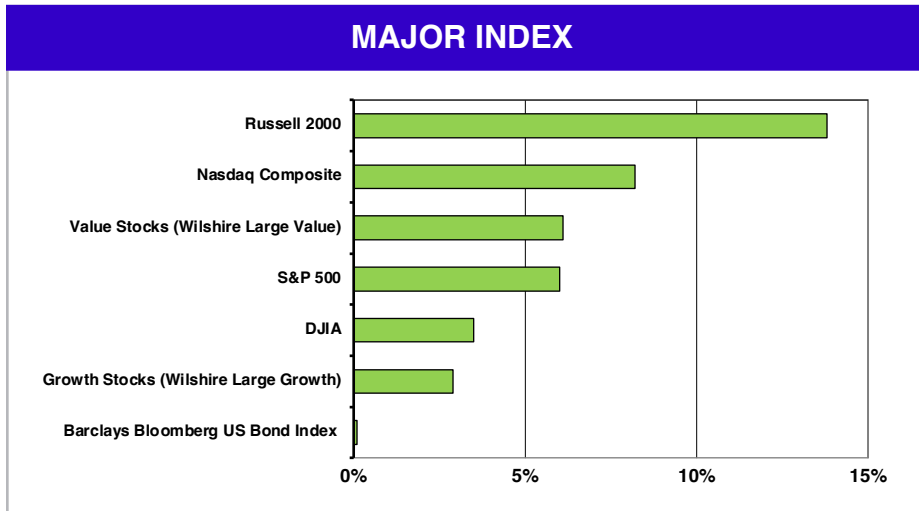


## S&P 500 QUARTERLY EARNINGS GROWTH



# MARKET PERFORMANCE

DATA AS OF MAY 1, 2026



## GROWTH

AI sales growth est.  
55% through 2030

## SCALE

2030 AI total revenue  
\$3.5T forecast

## IMPACT

AI share of GDP 15%  
by 2030

### AI IMPACT EXPANDING BEYOND TECH



Healthcare



Financial Services



Industrial



Consumer

### ARGUS INNOVATION FRAMEWORK



Disruptors



New Products

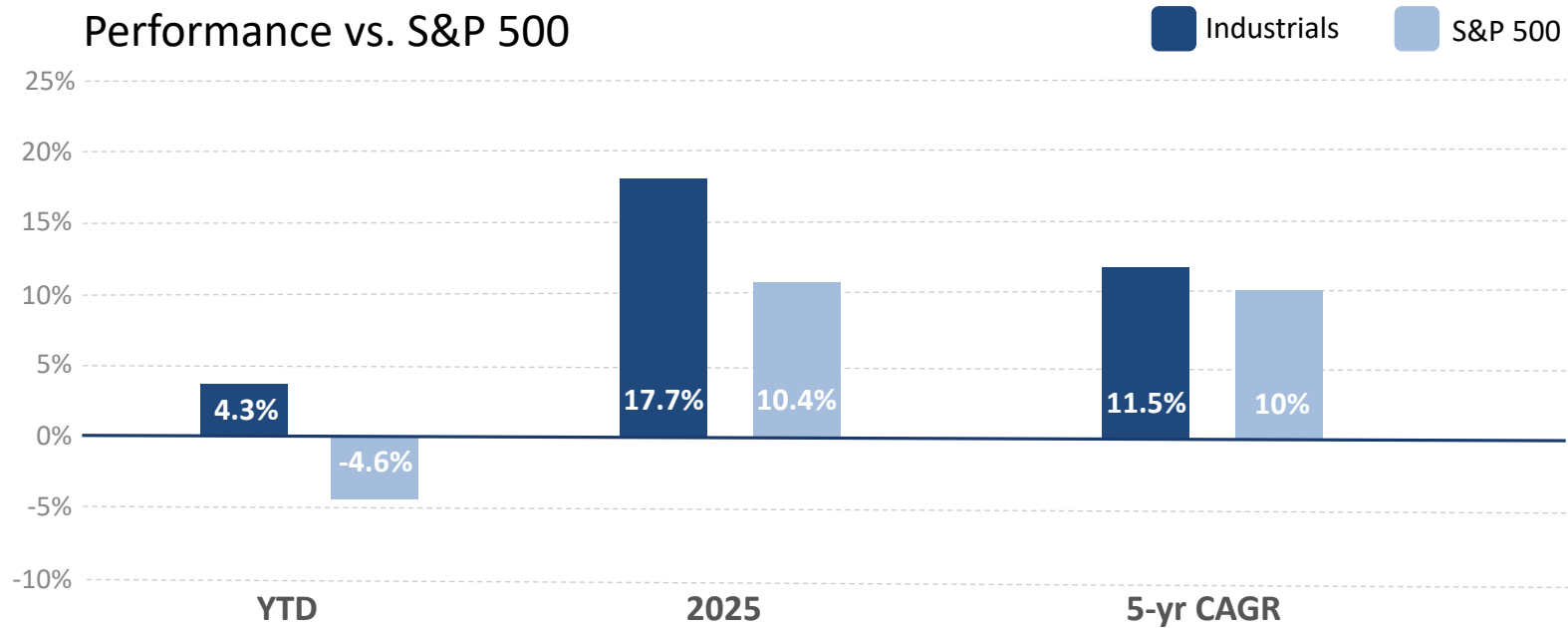


New  
Markets



Better Products &  
Processes

# INDUSTRIAL SECTOR OVERVIEW



## KEY METRICS

GROWTH: 8% historical rate vs S&P 9%    VALUE: P/E of 25x, Yield of 0.8%

### Leading Sectors YTD

- | Electrical Equipment
- | Construction & Engineering
- | Ag & Farm Machinery

### Lagging Sectors

- | Data Processing & Outsourced Services
- | Human Resources & Employment Services
- | Research & Consulting Services

## New Markets



- Data Center Construction & Engineering (CAT, HWM, ETN, GEN, STRL, TT)
- Warehouse Automation (ETN, HON, ROK)
- Robotics (ETN, HON, ROK)

## New Products



- Unmanned Vehicles: Tractors, Drones, Aircraft, Reconnaissance (air, land, sea)
- Real-time Threat Detection: Target Recognition and Atypical Behavior (Missiles and Cyber)
- Robotics (Freight, Machinery, A&D)
- Autonomous Machinery: Manufacturing, Warehouse Automation (Freight, Machinery, A&D)

## Better Processes



- Efficiencies: Route Scheduling (Transports, Freight, CTAS)
- Risk reduction: Predictive Maintenance (A&D, Transports, Machinery)
- Productivity: Supply chain pre-orders (A&D), Production Planning
- Safety: Transports- Driver fatigue and objects on tracks
- Maintenance Diagnostics: (A&D, Transports, Freight, Machinery)
- Quality Control: Parts scanning prior to manufacturing (A&D)
- R&D Acceleration: Design, Prototype, cost effective development (A&D)

## HIGHER REVENUE



- Higher customer value-add commands higher pricing

## HIGHER MARGINS



- Manufacturing Efficiency & Productivity
- Cost Reduction
- Faster, less expensive R&D
- Less impact from labor shortages

## RISK REDUCTION



- Predictive Maintenance
- Quality Control
- Safety

## CLEAN ENERGY/INFASTRUCTURE



## AEROSPACE & DEFENSE



## HEAVY EQUIPMENT/AG



## DIVERSIFIED INDUSTRIALS



## TRANSPORTATION



## OTHER



# ARGUS PORTFOLIO PICKS



## EQUITY INCOME



## HIGH YIELD



## INSTITUTIONAL



## SUSTAINABLE GROWTH



## DIVIDEND GROWTH



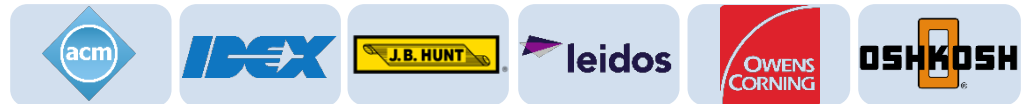
## GROWTH



## GROWTH & INCOME



## MID-CAP



*\* Note, Argus Model Portfolio Strategies may be licensed for direct money management by our clients using either an AUA or SMA Argus solution. Reach out directly to Argus for more authorization details.*

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