



Fasten Seatbelts During Take Off and Landing:

*Competitive Advantage and
Inflation Protection*

September 2023

 SANDS CAPITAL

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Inflation's Impacts are
Not
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Leadership + Competitive Advantage = Inflation Resilience

Quality Growth Businesses In Inflationary Environments:

- 1. Set Prices**
- 2. Enable Automation**
- 3. Leverage Scale**

*“You cannot overtake 15 cars
in sunny weather... but you can when it's raining.”*
- Ayrton Senna



The Price Setters

Near-Monopoly Businesses That Use Their Competitive Advantage (Industry Structure) to Pass Prices to Customers



Natural “Opolies” Enable the Strongest Moats

The Automators

Leading Companies That Supply Solutions That Enable
Lower Production Costs and Increased Productivity



Remove Costs, Reduce Waste, or Enhance Efficiency

The Scalers

Economies of Scale Create a Competitive Advantage That Allows Larger Companies To Create Higher-Margin Value-Additive Products



Insulating Glass

Waterproof
Membrane for green
roof or solar panels

Joint fillers

Structural glazing

Exterior wall
insulation

Keep Innovating In Downcycles When Others Pull Back

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