

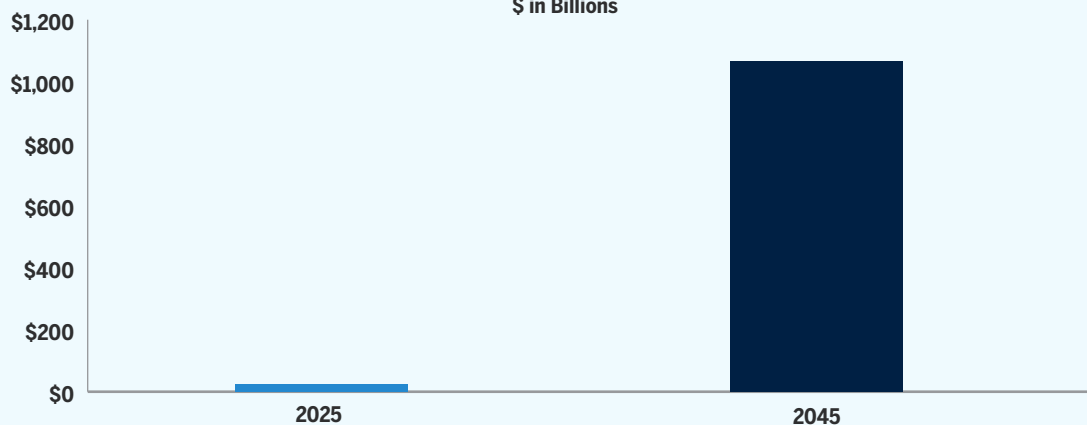
Will Robots Take the Wheel?

A new era of transportation is emerging: one in which the driver's seat may be empty. As vehicles begin to drive themselves, the economics of getting from point A to point B could change dramatically. The shift to robotaxis has the potential to reshape industries, redefine convenience, and open the road to unexpected opportunities.

A Massive Addressable Market

Potential Robotaxi Market in North America

\$ in Billions



Source: 2025 estimate from Grand View Research. 2045 Alger estimate based on just under half of North American non-truck miles driven at nearly \$0.80/mile. A robotaxi is a fully autonomous vehicle that offers on-demand rides with no human driver.

- Although broad adoption of robotaxis may seem years away, momentum is building as Waymo has logged over 100 million autonomous miles on public roads.¹ In our view, this technology could revolutionize transportation and, in the process, potentially create a market of over a trillion dollars in North America alone. That estimate is based on a significant share of the nearly three trillion non-truck miles transitioning from owner-driven vehicles to transportation-as-a-service provided by autonomous fleets.
- The impetus is simple economics: robotaxis are likely to cost significantly less per mile than taxis, ride-hailing, and even private car ownership, in our view. The key advantage relative to car ownership is capacity utilization—autonomous fleets can operate far more miles per year, lowering the cost per mile.
- While challenges remain, including validation in varied conditions and regulatory approval, autonomous driving represents a significant long-term market opportunity, in our view. Should robotaxis gain mass adoption in the coming years, we believe significant opportunities could emerge for companies developing integrated self-driving solutions, as well as those providing critical components such as semiconductor designers and manufacturers.

¹ Alphabet Inc., fiscal 2Q25 conference call on 7/23/25.

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